Regd. Office :
Plot No. 12-A,'C' Block, Lakshmi Towers,
Nagarjuna Hills, Punjagutta,
Hyderabad - 500 082. INDIA.
Ph : +91-40-33605123
Fax : (00 9140) 23350234 / 23358062
CIN : L24219TG1986PLC016607
Website : www.nagarjunaagrichem.com
E-mail : info@nagarjunaagrichem.com

NAGARJUNA GROUP
Nagarjuna Agrichem Limited

Ref: NACL/SE/BSE/2017-18/

19th August, 2017

1) Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

2) Corporate Relationship Department
National Stock Exchange of India Ltd
Exchange Plaza, 5thFloor
Plot No.C/1 G Block,
Bandra –Kurla Complex, Bandra (E)
Mumbai-400051.

Dear Sir,

Sub: Disclosure under Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Ref: Stock Code: 524709 - Trading Symbol: NAGAAGRI

With regard to captioned subject matter, we enclose a soft copy of the Annual Report of the Company, for the year ended 31st March, 2017, (FY 2016-17) circulated to the shareholders of the Company which was approved and adopted at the Annual General Meeting held on 05th August, 2017.
Kindly take the same on your record.

Thanking You
for **Nagarjuna Agrichem ltd.**

Satish Kumar Subudhi
Company Secretary & Head-Legal

Plot No. 177, Arinama Akkivalasa, P.O. Allinagaram,
Etcherla Mandal, Srikakulam - 532 403
Phone : (0091 8942) 231172, 305400
Fax : (0091 8942) 231171

Ravulapalem Mandal, Ethakota - 533 238,
East Godavari Dist. A.P.
Phones : (0091 8855) 305617, 305627
Fax : (0091 8855) 257276

NAGARJUNA GROUP

Nagarjuna Agrichem Limited













Annual Report 2016-17



Launch of “Atonik” a product on exclusive basis from Otsuka, Japan,
at Guntur, (A.P) on 13th November 2016



National Accreditation Board for Testing and Calibration Laboratories
(A Constituent Board of Quality Council of India)

CERTIFICATE OF ACCREDITATION

R&D CENTRE OF NAGARJUNA AGRICHEM LIMITED

has been assessed and accredited in accordance with the standard

ISO/IEC 17025:2005

"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

Surveys No. 1710-1711, Anthireddyguda Road, Nandigaon Village, Kothur Mandal, Mahabubnagar, Telangana

in the field of

TESTING

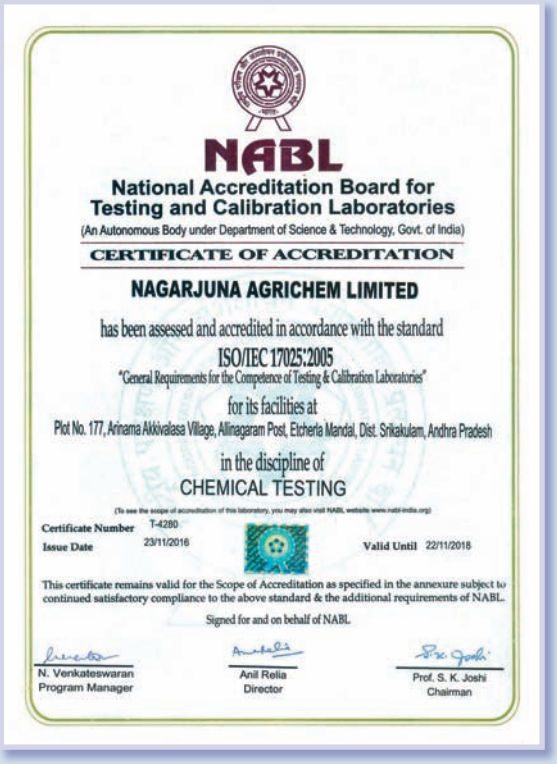
Certificate Number TC-5199 *(in lieu of T-4417)*
Issue Date 08/02/2017 Valid Until 07/02/2019

This certificate remains valid for the Scope of Accreditation as specified in the annexure subject to continued satisfactory compliance to the above standard & the relevant requirements of NABL.
(To see the scope of accreditation of this laboratory, you may also visit NABL website www.nabl-india.org)

Signed for and on behalf of NABL

N. Venkateswaran
Program Director

Anil Relia
Chief Executive Officer



NABL
National Accreditation Board for Testing and Calibration Laboratories
(An Autonomous Body under Department of Science & Technology, Govt. of India)

CERTIFICATE OF ACCREDITATION

NAGARJUNA AGRICHEM LIMITED

has been assessed and accredited in accordance with the standard

ISO/IEC 17025:2005

"General Requirements for the Competence of Testing & Calibration Laboratories"

for its facilities at

Plot No. 177, Arinama Akkivalasa Village, Allinagaram Post, Etcherla Mandal, Dist. Srikakulam, Andhra Pradesh

in the discipline of

CHEMICAL TESTING

(To see the scope of accreditation of this laboratory, you may also visit NABL website www.nabl-india.org)

Certificate Number T-4280
Issue Date 23/11/2016 Valid Until 22/11/2018

This certificate remains valid for the Scope of Accreditation as specified in the annexure subject to continued satisfactory compliance to the above standard & the additional requirements of NABL.

Signed for and on behalf of NABL

N. Venkateswaran
Program Manager

Anil Relia
Director

Prof. S. K. Joshi
Chairman

NACL honored with the NABL Certifications for our R & D Center at Shadnagar
and for Lab in Srikakulam Plant

BOARD OF DIRECTORS

Mrs.K.Lakshmi Raju	**:**	Chairperson (w.e.f 27-05-2017)
Mr.D.Ranga Raju	:	Director
Mr.K.S.Raju	:	Director (upto 03-02-2017)
Mr.Sudhakar Kudva	:	Director
Mr.K.Raghuraman	:	Director
Mr.N.Vijayaraghavan	:	Director
Mr.Raghavender Mateti	:	Director
Mr.R.S.Nanda	:	Additional Director (w.e.f 27-05-2017)
Mr.V.Vijay Shankar	:	Managing Director

SENIOR MANAGEMENT

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

30th Annual General Meeting

NAGARJUNA GROUP

Day : Saturday
Date : 05th August, 2017
Time : 03.00 p.m.
Venue : Katriya Hotel, No.8,
Raj Bhavan Road, Somajiguda,
Hyderabad-500082,
Phone + 91 40 23325678,
Telangana State.

CIN:
L24219TG1986PLC016607

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

FACTORIES:
Arinama Akkivalasa,
Etcherla Mandal,
Srikakulam,
Andhra Pradesh.

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

R & D CENTRE:
Nandigaon Village,
Shadnagar,Kothur Mandal,
Mahaboobnagar Dist.
Telangana State.

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

COST AUDITORS:
M/s. K.Narasimha Murthy & Co.,
Cost Auditors,
No. 3-6-365, 104 & 105,
Pavani Estate,
Himayathnagar,
Hyderabad-500029.
Telangana State.

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

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

CONTENTS

Page No.

Notice 2
Directors' Report 15
Management Discussion & Analysis Report 39
Report on Corporate Governance 43
Certification by MD and CFO 59
Auditors' Certificate on Corporate Governance 60
Independent Auditors' Report 61
Standalone Balance Sheet 66
Standalone Profit and Loss Account 67
Standalone Cash Flow Statement 68
Notes on Standalone Accounts 70
Independent Auditors Report on Consolidated Financial Statements 90
Consolidated Balance Sheet 94
Consolidated Profit and Loss Account 95
Consolidated Cash Flow Statement 96
Notes on Consolidated Financial Statements 98
ECS Mandate form & E-Communication Regn. form
Attendance Slip & Proxy Form

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of M/s. Nagarjuna Agrichem Limited will be held at 3.00 P.M. on Saturday, the 05th August, 2017 at Katriya Hotel, No.8, Raj Bhavan Road, Somajiguda, Hyderabad-500082, Telangana, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2017, the Balance Sheet as on that date and the Cash Flow Statements (including the consolidated financial statements) for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Mr.N.Vijayaraghavan (DIN:02491073) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors of the Company and to fix their remuneration.

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules, 2014 (Rules) including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s.Deloitte Haskins & Sells LLP, Chartered Accountants, Secunderabad (Firm Registration No.117366W/W100018), who have confirmed their eligibility to be appointed as Auditors, in terms of section 141 of the Act read with Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s.M.Bhaskara Rao & Co., Chartered Accountants, Hyderabad (Firm Registration No.000459S), to hold office for a period of five consecutive years from the conclusion of this 30th Annual General Meeting till the conclusion of 35th Annual General Meeting, to be held in the calendar year 2022 (subject to ratification of their appointment by the members of the Company at every Annual General Meeting held after this Annual General Meeting), on such remuneration including applicable taxes and out-pocket expenses incurred in connection with the audit,as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5. Ratification of remuneration of the Cost Auditors:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable Rules, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.4,25,000/-(Rupees Four Lakhs Twenty Five Thousand only) plus applicable taxes and out-of-pocket expenses incurred in connection with the Cost Audit, to be paid to M/s. K. Narasimha Murthy & Co., (Registration No.4042) the Cost Auditors, appointed to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2018, as fixed by the Board on the recommendation of the Audit Committee, be and is hereby approved and ratified."

"RESOLVED FURTHER that the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Appointment of Mr.R.S.Nanda (DIN00008255), as an Independent Director:

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 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.R.S.Nanda (DIN:00008255), who has been appointed as an Additional Director with effect from 27th May, 2017 in terms of Section 161 of the Companies Act, 2013 read with Article 131 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 05th August,2017, not liable to retire by rotation."

7. To appoint Mr.Sudhakar Kudva (DIN:02410695) as an Independent Director:

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 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.Sudhakar Kudva (DIN:02410695), who qualifies

for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 05th August, 2017, not liable to retire by rotation."

8. To re-appoint Mr.V.Vijay Shankar (DIN:00015366) as Managing Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V of the Companies Act, 2013 & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles of Association of the Company, and subject to necessary approvals to be obtained from the Central Government if required, approval be and is hereby accorded, to the re-appointment of Mr.V.Vijay Shankar(DIN:00015366) as Managing Director of the Company, for further period of three years with effect from 11th May, 2017 to 10th May, 2020 upon the terms and conditions including remuneration as set out below and in the Agreement to be entered into between the Company and Mr.V.Vijay Shankar in this regard, with liberty to the Board of Directors to alter and vary any such terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr.V.Vijay Shankar."

I) Remuneration:

a) Basic salary:Rs.3,60,000/-p.m.

b) House Rent Allowance (HRA):Rs.1,40,000/-p.m.(in case the Company provides leased accommodation, the differential amount between cost of leased accommodation and the HRA will be paid as Special Allowance).

c) Special Allowance (including Medical Allowances and reimbursement if any):Rs.1,36,000/-p.m.

d) Provident Fund (PF): The Company will contribute 12% of Basic Salary towards PF as per the extant laws. (In case the Company does not contribute or is not required to contribute as per the extant laws, such PF equivalent amount will be paid as Special Allowance).

e) Leave Travel Assistance (LTA): LTA not exceeding Rs.3,52,000/- in a financial year. This will be paid at the time of the Annual Leave and subject to the LTA Rules of the Company. (In case the same is not availed or partially availed by the Managerial Person, equivalent amount of such non-availed portion of LTA will be paid as Special Allowance).

f) Performances pay aggregating Rs.45,00,000/-per annum for the first two years (which comprises of Fixed component of Rs.25,00,000/- and Variable component of Rs.20,00,000/-) at the end of every completed year of service.

g) Performances pay aggregating Rs.1,20,00,000/- for the third year (which comprises of Fixed component of Rs.25,00,000/-, Variable component of Rs.20,00,000/- and One-time bonus of Rs.75,00,000/- payable upon the Company's achievement of set target by 2020) at the end of that year.

h) The aforesaid Variable component of Performance pay, as specified in the aforesaid clause (f) and (g) above shall be subject to the appraisal of the performance by the Board of Directors of the Company during the aforesaid term of office.

i) The aforesaid the onetime bonus, as specified in the aforesaid clause (g) above shall be payable upon Company's achievement of set targets for the financial year 2019-20, as more specifically described in the agreement to be entered into between the Managing Director and the Company.

j) Further, in case of early termination of the agreement with the Managing Director, the Board of Directors may consider paying the remaining unpaid fixed pay component of the aforesaid Performance pay, on pro-rata basis or otherwise, as it may deem fit and proper.

k) Mediclaim Insurance coverage shall be provided to Mr.V.Vijay Shankar and his spouse, children and dependent parents as per the rules of the Company.

l) Personal Accident Insurance: Coverage shall be provided to Mr.V.Vijay Shankar, under the Company's Group Personal Accident Policy.

m) Club Fees: Annual/Monthly club subscription fees payable subject to maximum of two clubs.

II) Others:

a) The Company will provide to the Managing Director, for the performance of his official duties, the following as per the applicable rules of the Company, the costs of which to the Company shall not form part of his remuneration.

   i) A chauffeur driven Car.

   ii) Telephone connection including appropriate instrument at his residence.

   iii) One or more mobile phone connections including appropriate handsets.

   iv) Reimbursement of club bills and business development expenses.

b) The Managing Director shall be entitled to leave(s), on such terms as may be applicable to him as per the Rules of the Company, during his aforementioned term of office.

c) The Managing Director shall also be entitled to the benefits or equity shares or stock options, granted or to be granted under various Employee Stock Option scheme(s) of the Company, during his aforementioned term of office.

III) Minimum Remuneration:

If in any financial year during his aforesaid term of office as such, the Company has no profits as computed in accordance with Section 198 of the Companies Act 2013, or such profits are inadequate, Mr.V.Vijay Shankar shall be paid the above remuneration as Minimum Remuneration in accordance with the allowable limits under Schedule V to the said Act.

"RESOLVED FURTHER THAT the aforesaid constituents of Remuneration may be be interchangeable within the overall ceiling specified above."

"RESOLVED FURTHER THAT the Board of Directors / Nominations and Remuneration Committee be and is hereby authorised to alter and vary any such terms and conditions of the said appointment and remuneration or revise the remuneration in such manner as may be acceptable to,between the Board and Mr.V.Vijay Shankar, subject to the same not exceeding limit or ceiling specified in Schedule V to the Companies Act, 2013 (or any statutory modifications or re- enactment thereof) and the agreement entered into, if any, between the Company and Mr.V.Vijay Shankar shall be suitably amended to give effect to such modification, relaxation or variation."

"RESOLVED FURTHER THAT the terms of re-appointment between the Company and Mr.V.Vijay Shankar shall carry a condition that it may be terminated by either party by giving to the other party three months notice in writing and an Agreement shall be entered into between Mr.V.Vijay Shankar and the Company covering all the aspects as spelt out in this resolution and it shall be binding on both the parties."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps including acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

9. To change the name of the Company to "NACL Industries Limited".

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

"RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government and other necessary approvals, consents, permissions and sanctions, required, if any, in this regard from any appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by statutory authorities, consent of the members be and is hereby given for changing the name of the company from "Nagarjuna Agrichem Limited" to "NACL Industries Limited" or any other name as may be approved by the statutory authorities, whether under the Companies Act, 2013 or any other rules, laws, acts, statutes or regulations as may be applicable to the Company."

"RESOLVED FURTHER THAT the Name Clause, being Clause I, in the Memorandum of Association of the Company be altered accordingly."

"RESOLVED FURTHER THAT in terms of Section 14 of the Companies Act, 2013, the Articles of Association of the Company be altered by deleting the existing name "Nagarjuna Agrichem Limited" wherever appearing and substituting it with "NACL Industries Limited".

"RESOLVED FURTHER THAT post aforesaid approvals, the name "Nagarjuna Agrichem Limited" wherever occurs in any documents and papers of the Company be substituted by the name "NACL Industries Limited."

"RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to accept any other name approved by the relevant statutory authorities and seek approval for the change in the name of the Company accordingly without any further reference to the members for their approval."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to make necessary application(s) and to sign, execute and file all such forms, papers and documents as may be considered necessary or expedient including appointing attorneys or authorized representatives under appropriate Letter(s) of Authority to appear before the office of the Registrar of Companies / Ministry of Corporate Affairs, and other regulatory authorities, as may be applicable, for making application to give effect to the above resolution and to file required documents and information to the Stock Exchanges and such other authority(s) as may be required from time to time and to do all such acts, deeds and things as may be required in this connection."

By order of the Board

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS-9085)

Place : Hyderabad
Date :03rd July, 2017

REGISTERED OFFICE:
CIN:L24219TG1986PLC016607
Plot No.12-A, "C" Block, Lakshmi Towers,
No.8-2-248/1/7/78,Nagarjuna Hills, Punjagutta,
Hyderabad-500082,Telangana State.
Ph.040-33605123
e-mail: cs-nacl@nagarjunaagrichem.com
Website:www.nagarjunaagrichem.com

Notes:

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

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

3) **Explanatory Statement:**

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

4) **Director proposed to be appointed/re-appointed:**

Details of Directors retiring by rotation or seeking appointment /re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India (ICSI).

5) **Book Closure:**

a) The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 29th July, 2017 to Saturday, 05th August, 2017 (both days inclusive.

b) Dividend:

The dividend on Equity Shares for the financial year 2016-17, will be paid after declaration by the members:

i) in respect of shares held in physical form, to those members whose names appear on the Register of Members of the Company on 28th July, 2017, after giving effect to all valid share transfer documents lodged with the Company/ its RTA on or before 28th July, 2017.

ii) in respect of shares held in electronic form, to those beneficial owners whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited(CDSL) as at the end of 28th July, 2017.

6) **Unclaimed Dividend and Transfer of shares to IEPF:**

a) The Members are hereby informed that the Company would transfer the dividends, which remains unpaid/ unclaimed for a period of 7 (seven) years, to the Investors Education and Protection Fund (IEPF) constituted by the Central Government under Section 125 of the Companies Act, 2013.

b) The Company has transferred the unpaid or unclaimed dividends declared up to financial year 2008-09, from time to time to the IEPF. Members may please refer to "Corporate Governance Report" (forms part hereof) for details of unclaimed dividend amount credited to IEPF account during the year 2016-17. Further the Company shall not entertain the claims of the Shareholders for the unclaimed dividends which have been transferred to IEPF.

c) In view of the above, the Shareholders are advised to send their requests for payment of unpaid dividend pertaining to the years 2009-10 (final dividend) to 2015-16 (final dividend) to the Share Transfer Agent (RTA) office or to the Registered Office of the Company at Hyderabad for issue of cheques/ demand drafts before the due dates for transfer to the IEPF. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 19th September, 2016 (i.e date of previous Annual General Meeting) on the website of the Company www.nagarjunaagrichem.com and also on the website of Ministry of Corporate Affairs.

d) Members may please refer to "Corporate Governance Report" (forms part hereof) for details of unclaimed dividend amount credited to IEPF account during the year 2016-17.

e) Transfer of Shares to IEPF Suspense Account:

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a Company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

In accordance with the aforesaid provision of the Act read with the Investor Education and Protection fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-10, has not been paid or claimed by the members for 7 (seven) consecutive years or more. Members are advised to visit the website www.nagarjunaagrichem.com to ascertain details of shares liable for transfer in the name of IEPF authority.

f) Members/claimants whose shares, unclaimed dividends, etc., have been transferred to the IEPF demat account or the fund, as the case may be , may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. The Members/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

7) Members Nomination:

a) Members are advised to avail themselves of nomination facility as per the Section 72 of the Companies Act, 2013. Facility for making nomination is available for the Members in respect of the shares held by them.

b) Members holding shares and who have not yet registered their nomination are requested to register the same by submitting Form No.SH-13. Further, a Member who desires to cancel the earlier nomination and record fresh nomination may submit the same in Form No. SH-14. Both the Forms for "Nominations" and "Cancellation or Variation of Nomination can be availed from the RTA or can be downloaded from the Company's website.

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

8) Corporate Members:

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

9) Important Communication to Members:

a) All communications relating to the shares may be addressed to our Share Transfer Agent (RTA) Office i.e.,
M/s. XL Softech Systems Limited,
(Unit: Nagarjuna Agrichem Limited) No.3, Sagar Society, Road No.2,Banjara Hills, Hyderabad-500034, TS
Telephone No: 040-23545913 /914/915;
Fax No.040-23553214,
e-mail ID:xlfield@gmail.com

b) The members may please visit the Company's Website:
www.nagarjunaagrichem.com to find more information about the Company.

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

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

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

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

g) Electronic copy of the Annual Report for 2016-17 is being sent to all members whose email addresses are registered with the Company/Depository Participants for communication purposes, unless any members has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 are being sent in the permitted mode.

h) Updation member details: The format of the Register of members prescribed by the Ministry of

Corporate Affairs under the Companies Act, 2013 requires the Company/Registrar and Share Transfer Agent to record additional details of members, including email address, bank details for payment of dividend etc. In this regard, a form for capturing the additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit their filled in form to the Company or the Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

i) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its RTA

10) NSE Listing and Listing Fees:

The members may note that the Company's equity shares has been listed with National Stock Exchange of India Limited (NSE) and the trading on the bourses has commenced with effect from 7th April, 2017. The Company has paid the Listing Fees for the year 2017-18 to BSE Limited (BSE) and NSE, the Stock Exchange(s) where the Company's shares are listed.

11) Members are requested to:

a) send their queries, if any, to reach the Company's Registered Office at Hyderabad at least 7 days before the date of the Meeting so that information can be made available at the Meeting.

b) bring their copy of the Annual Report and Attendance Slip with them to the Meeting.

c) to bring their DPID and Client ID numbers for easy identification of attendance at the venue of AGM, who hold shares in dematerialized form;

d) send their e-mail address to the Company/RTA for prompt communication.

e) to quote their Regd. Folio Number or DP and Client ID Numbers in all their correspondence with the Company/RTA.

12) Instructions about Voting:

In terms of Section 108 and other applicable provisions of Companies Act, 2013, read with Regulation 4(2)(a) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and to facilitate the members, the Company is providing e-voting, besides the polling process to be conducted at the AGM venue.

The members are requested to opt any one mode of voting i.e., either through e-voting or through polling process to be conducted at the AGM. If a member cast votes by both modes, then voting done through a valid e-vote shall prevail and voting through polling process conducted at AGM shall be treated as invalid. Please refer to the following instructions for voting through electronic means.

A) e-Voting through electronic means:

I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is providing Members facility to exercise their right to vote by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

i) Log on to the e-voting website www.evotingindia.com

ii) Click on "Shareholders" tab.

iii) Select the "NAGARJUNA AGRICHEM LIMITED" from the drop down menu and click on "SUBMIT"

iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID. Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.

vi) Fill up the following details in the appropriate boxes:

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

** Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the sequence number (available in the*

Address Label pasted in the cover and/or in the e-mail sent to Members) in the PAN fi eld. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN Field.

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

vii) After entering these details appropriately, click on "SUBMIT" tab.

viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the relevant EVSN for Nagarjuna Agrichem Limited.

xi) On the voting page, you will see Resolution Description and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https:// www.evotingindia.com and register themselves as Corporate. After receiving the as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same

xviii) E-Voting by Mobile app:

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. iPhone 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 Corporate.
- 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 emailed 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 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. or investors@nagarjunaagrichem.com

II. The e-voting period begins on 02nd August, 2017 (10.00 a.m) and ends on 04th August, 2017(5.00 p.m.). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as of 28th July, 2017 (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help Section or write an email to helpdesk.evoting@cdslindia.com or investors@nagarjunaagrichem.com

IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 28th July, 2017.

V. Mr. C. K. Burma, Practicing Company Secretary (Membership No:FCS 9566), Proprietor of M/s. C. K. Burma & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VI. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company.

B) Other Instructions:

I. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through physical ballot and votes casted during the polling process conducted at Annual General Meeting venue, to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.

II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.nagarjunaagrichem.com and be communicated to the Stock Exchanges where the Company's shares are listed, i.e., BSE and NSE, stock exchanges where the Companies share are listed.

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

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

Item No.5:

The Board of Director of the Company, on recommendation of the Audit Committee, has approved the appointment of the Cost Auditors namely M/s K. Narasimha Murthy & Co., (Registration No.4042), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, at a remuneration of Rs.4,25,000/- plus applicable taxes and out-of-pocket expenses incurred in connection with the Cost Audit.

In accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors has to be approved and ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018. The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Shareholders.

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

Item No.6:

Mr. R.S.Nanda (DIN00008255) was appointed as an Additional Director with effect from 27th May, 2017 in accordance with the provisions of Section 161 of the Act read with Article 131 of the Articles of Association of the Company. Pursuant to Section 161 of the Act, the above Director holds office up to the date of the ensuing Annual General Meeting. In this regard, the Company has received request in writing from a member of the company proposing Mr.R.S.Nanda candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Act.

Mr. R.S.Nanda being eligible, offers himself to be appointed as an Independent Director of the Company for a period of five years with effect from 05th August, 2017 in terms of Section 149 of the Act, and other applicable legal provisions , which inter-alia stipulates the criteria of independence should a Company proposes to appoint an Independent Director on its Board. Accordingly, the Board of Directors in its meeting held on 27th May, 2017 has accorded its approval for the aforesaid appointment of Mr. Nanda as an Independent Director and recommended to the Shareholders for approval.

The Company has received consent from Mr.R.S.Nanda in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms

of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under section 164(2) of the Act; and (iii) declaration to the effect that he meets the criteria of Independence as provided in Section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations").

The Board of Directors of your Company are of the opinion that Mr.Nanda fulfills the conditions specified in the Act and the Rules made there under and eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act and Listing Regulations. The Board of Director of your Company is also of the opinion that Mr. Nanda is Independent of the management of the Company. The said appointment of Mr.Nanda shall be effective upon approval of the Shareholders in the ensuing Annual General Meeting.

Brief resume of Mr.R.S.Nanda, nature of his expertise in specific functional areas and names of Companies in which he holds Directorships and Memberships/ Chairmanships of Board Committees, shareholdings and relationships between Directors inter-se as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards on General meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") are provided in the provided in the "Annexure" to this Notice. Keeping in view of his expertise and knowledge, it will be in the interest of the Company that he will be appointed as an Independent Director of the Company.

This Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

A copy of the draft letter of appointment of Mr.Nanda as an Independent Director setting out the terms and conditions is available for inspection at the registered office of the Company during normal business hours on all working days up to the date of Annual General Meeting.

The Board seeks approval of the members for the appointment of Mr.R.S.Nanda as Independent Director of the Company for five consecutive years effective 05th August, 2017 pursuant to section 149 and other applicable provisions of the Act, Rules made there under read with Listing Regulations and that he shall not be liable to retire by rotation.

Save and except Mr.R.S.Nanda and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other 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 the Item No.6 of the Notice**.**

Item No.7:

Pursuant to the section 149 of the Act, and other applicable legal provisions, Mr.Sudhakar Kudva (DIN:02410695) is eligible to be appointed as an Independent Director of the Company. Accordingly, the Board of Directors in its meeting held on 27th May, 2017 has accorded its approval to appoint Mr. Sudhakar Kudva as an Independent Director for a period of five years with effect from 05th August, 2017 in terms of said provisons which inter alia stipulates the meeting of criteria of independence should a Company proposes to appoint an Independent Director on its Board. The said appointment of Mr.Sudhakar Kudva (DIN:02410695) shall be effective upon approval of the Shareholders in the ensuing Annual General Meeting.

The Company has received a declaration from Mr.Sudhakar Kudva that he meets the criteria of independence as prescribed both under Section 149 of the Act and under Listing Regulations. In the opinion of the Board, Mr.Sudhakar Kudva has fulfilled the conditions for his appointment as an Independent Director as specified in the Act and Rules made thereunder and as per the Listing Regulations. Mr.Sudhakar Kudva is independent of the management and possesses appropriate skills, experience and knowledge.

In terms of section 149 and other applicable provisions of the Act and Listing Regulations Mr. Kudva being eligible and offers himself for appointment, is proposed to be appointed as an Independent Director of the Company for five consecutive years effective 05th August, 2017. A Notice, in terms of Section 160 of the Act, has been received from a Member along with the deposit of requisite amount proposing Mr. Kudva's candidature for the office of Independent Director of the Company.

Mr.Kudva is having wide and rich experience in the senior positions in India and abroad. His areas of experience include Accounting, Financial Management, Treasury Management and General Management.The industry spectrum of his experience includes the sectors covering International Trading and Contracting, Financial Services, Manufacturing of alloy and carbon steel, seamless tubes, Mining, Port operations and Logistics. Keeping in view of his expertise and knowledge, it will be in the interest of the Company that he will be appointed as an Independent Director.

Brief resume of Mr.Sudhakar Kudva, nature of his expertise in specific functional areas and names of companies in which he holds Directorships and Memberships/ Chairmanships of Board Committees, shareholdings and relationships between Directors inter-se as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards on General meetings ("SS-2") issued by the Institute of Chartered Secretaries of India are provided in the "Annexure" to this Notice.

This Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

A copy of the draft letter of appointment of Mr.Kudva as an Independent Director setting out the terms and conditions is available for inspection at the registered office of the Company during normal business hours on all working days up to the date of Annual General Meeting.

Save and except Mr.Sudhakar Kudva and his relatives, to the extent of their shareholding interest, if any, in the Company,

none of the other 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 the Item No.7 of the Notice.

Item No.8:

Mr.V.Vijay Shankar (DIN:00015366) was appointed as the Managing Director of the Company for a period of three (3) years commencing from 11th May, 2011 vide necessary resolutions passed by the Shareholders in their 24th Annual General Meeting held on 12th August, 2011 and subsequently for a period of 3 years commencing 10th May, 2014 vide necessary resolution passed by the Shareholdings in their 27th Annual General Meeting held on 09th August, 2014. As the said tenure expired on 10th May, 2017, the Board of Directors of the Company (the "Board"), accordingly, in its Meeting held on 03rd February, 2017 has, subject to the approval of Members, re-appointed Mr.V.Vijay Shankar, as the Managing Director of the Company, for a further period of 3 (three) years with effect from 11th May, 2017, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the Members approval for the said re-appointment and remuneration payable to Mr.V.Vijay Shankar, as Managing Director, in terms of the applicable provisions of the Act.

Further, considering his notable contributions, more particularly during the challenging times and the prevailing managerial remuneration in the Industry, it is also proposed to revise his remuneration, the details of which set out in the resolution at item No.9 of the Notice. The total remuneration is within the prescribed limits specified in Schedule V of the Act . Mr.V.Vijay Shankar satisfy all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under sub-section (3) of the Section 196 of the Act for being eligible for re-appointment.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr.V.Vijay Shankar, under Section 190 of the Act

Mr.Vijay Shankar is a Chartered Accountant and has wide experience in various Chemical Industries and extensive experience in Fertilizers & Agri and Automobile sectors over more than three decades through his association in Zuari – Chambal, Nagarjuna and Mahindra & Mahindra Groups. His last assignment was with Zuari Group.

Brief resume of Mr.V.Vijay Shankar, nature of his expertise in specific functional areas, names of companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships amongst Directors inter-se as stipulated under SEBI's Listing Regulations, are provided provided in the "Annexure" to this Notice and in the Corporate Governance Report forming part of this Annual Report.

Save and except Mr.V.Vijay Shankar himself and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other 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 the Item No.8 of the Notice.

Item No.9

Considering the Company's interest to create its own identity in view of the ownership and business being separate and different from the rest other Companies in the Nagarjuna Group, the Board of Directors of the Company thought fit and proper to change the name of the Company.

In this regard, the name "NACL Industries Limited" has been duly approved and made available for changing the name, by the Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs (MCA), New Delhi and Haryana vide its name approval letter dated 28th June, 2017 which is valid for 60 days.

It is proposed to seek the Members approval for the change of name of the Company, in terms of the applicable provisions of the Act. As per the applicable provisons of the Act, and amendments to the Memorandum and Articles of Associations require the approval by a special resolution of the shareholders in the General Meeting.

The proposed change of name will not affect any of the rights of the Company or of the shareholders/stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes.

As the change in name of the Company requires approval of the Shareholders by way of special resolution, the Board commends the resolution set forth at item No.9 for the approval of the members.

None of the Directors/Key Managerial Personnel of the Company/their relatives, is in any way, concerned or interested, financially or otherwise, in the aforesaid resolution set out at Item No.9 of the Notice.

By order of the Board

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS-9085)

Place : Hyderabad
Date : 03rd July, 2017

Registered Office:
CIN: L24219TG1986PLC016607
Plot No.12-A, "C"- Block, Lakshmi Towers,
No.8-2-248/1/7/78, Nagarjuna Hills,Panjagutta,
Hyderabad-500082, Telangana State, INDIA.
Ph.040-33605123
e-mail : cs-nacl@nagarjunaagrichem.com
Website : www.nagarjunaagrichem.com

ANNEXURE TO NOTICE

Details of Directors seeking appointment/re-appointment at the AGM

(pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards-2 on General Meetings)

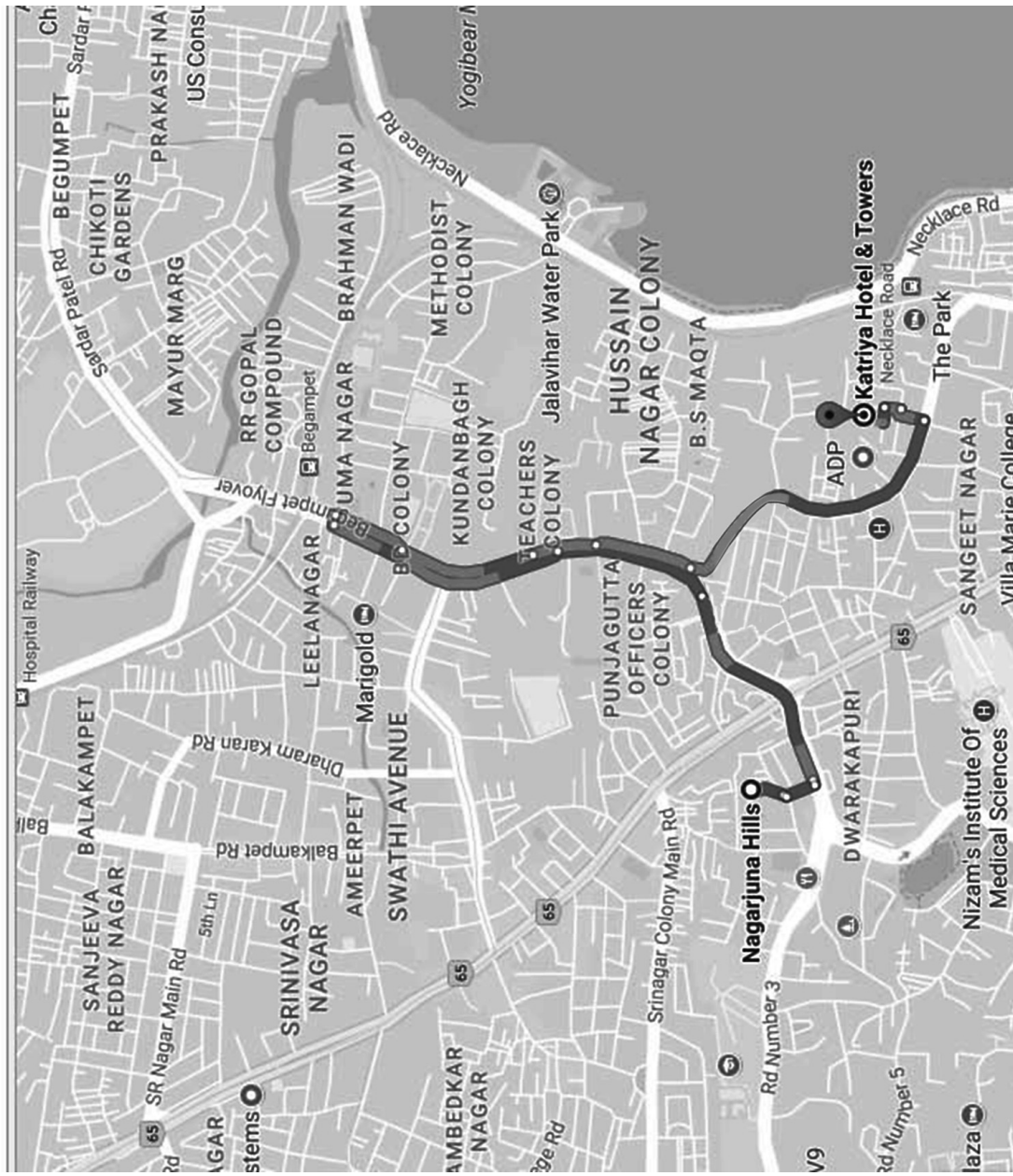
Name of the Director	Mr.N.Vijayaraghavan	Mr. Ranvir Sain Nanda
Directors Identification Number (DIN)	02491073	00008255
Date of Birth, Age	22-07-1949, 68 years	04-03-1944 , 73 years
Date of Appointment	16th September, 2008	27th May, 2017
Qualifications	B.Tech (Metallurgy), PGDBM from IIM-A	B.Sc., Engg. (Mech.)
Brief Profile including expertise in specific functional areas	He has over 39 years of wide corporate experience. He worked in various senior positions in wide industry spectrum of Companies like L&T, ITW Signode, Nagarjuna Fertilisers and Chemicals Limited and Sterlite Industries. His experiences include various manufacturing fields, marketing and general management.	Mr.R.S.Nanda, is having more than four decades of rich experience both in Government and Private Corporate Sector. After working in various senior positions in Kanoria Chemicals, EID-Parry and Cyanamid India, etc., he was also elevated to the position of President and Managing Director of Coromandel Fertilisers Limited (a Murugappa Group Company). Mr.Nanda was a Director on the Board of various premier Companies like EID-Parry (India) Limited, Godavari Fertilisers & Chemicals Limited, Fertilizers Association of India, Indian Potash Limited, Nagarjuna Fertilisers and Chemicals Limited etc. He was also Chairman of the Confederation of Indian Industry, Andhra Pradesh State Council and the Fertilizer Association of India, Southern Region.
Terms and conditions of appointment/ re-appointment	Appointed as Non-Executive Director, liable to retire by rotation.	As per the resolution at item no.6 of the Notice convening Annual General Meeting on 05th August, 2017 read with explanatory statement thereto, Mr.Nanda is proposed to be appointed as an Independent Director not liable to retire by rotation.
Details of remuneration last drawn during FY 2016-17)	Rs.29.25 lakhs**(includes consultancy fees and sitting fees)	Not applicable
No. of Board Meetings attended during the year	3 (three)	Not applicable
Relationship between Directors inter-se	Nil	Nil
No. of Shares held in the Company (a) own (b) for other persons on a beneficial interest	Nil	Nil
List of other Companies in which Directorship held as on 31st March, 2017 (excluding Foreign, Private and Section 8 Companies). ##	Nil	Nil
Chairperson/Member of the Mandatory Committees of the Board of the other Companies on which he is a Director as on 31st March, 2017.##	Nil	Nil

Name of the Director	Mr.Sudhakar Kudva	Mr.V.Vijay Shankar
Directors Identification Number (DIN)	02410695	00015366
Date of Birth / Age	05-12-1950, 66 years	17-11-1956, 61 years
Date of Appointment	16th September, 2008	11th May, 2011
Qualifications	B.Com. (Hons), F.C.A.	F.C.A.
Expertise in specific functional areas	Mr. Sudhakar Kudva, a Chartered Accountant, has over 38 years of work experience in India and abroad in a wide range of industries including the Lakshmi Mittal Group. (in Arcelor Mittal Ltd., as Executive Director-Commercial). His areas of expertise are Finance, Treasury and General Management.	He has over 34 years experience in large Organizations at Senior levels. He has extensive experience in General Management with special emphasis on Strategic, Finance and Commercial functions.
Terms and conditions of appointment/re-appointment	As per the resolution at item no.7 of the Notice convening Annual General Meeting on 05th August, 2017 read with explanatory statement thereto, Mr.Sudhakar Kudva proposed to be appointed as an Independent Director of the Company, not liable to retire by rotation.	Refer item no.8 of the notice convening Annual General Meeting on 05th August, 2017 read with explanatory statement thereto, Mr.Vijay Shankar re-appointed as Managing Director for further period of three years.
Details of remuneration last drawn (during FY-2016-17)	Rs.1.20 lakhs**	Rs.80.68 lakhs
No. of Board Meetings attended during the year	4 (four)	4 (four)
Relationship between Directors inter-se	Nil	Nil
No. of Shares held in the Company (a) own (b) for other persons on a beneficial interest	Nil	38,981 Equity shares of Rs.1/-each (held together with spouse). However, he has nil shareholding at the time of joining.
List of other Companies in which Directorship held as on 31st March, 2017 (excluding Foreign, Private and Section 8 Companies). ##	Bhagiradha Chemicals & Industries Limited	Nil
Chairperson/Member of the Mandatory Committees of the Board of the other Companies on which he is a Director as on 31st March, 2017. ##	a) Audit Committee as Chairman b) Stakeholder Relationship Committee as a Member c) Nomination & Remuneration Committee– as a Member	Nil

** Sitting fees paid for attending the Board and Committee(s) Meetings held during the FY 2016-17

Directorship and committee memberships in Nagarjuna Agrichem Limited are not included in the aforesaid disclosure. Also directorship in Private Limited Companies, Foreign Companies and Section 8 Companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committee and Stakeholder Relationship Committees of only public Companies have been included in the aforesaid table. The details pertains to the financial year ended 31st March, 2017.

ROUTE MAP TO THE AGM VENUE I.E., KATRIYA HOTEL, RAJBHAVAN ROAD, HYDERABAD



DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 30th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2017.

Operating Results:

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

(Rs.in lakhs)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	**2016-17**	2015-16
Gross Turnover (including Other Income)	**85,229**	79,282	**85,167**	79,252
Profit before Interest and Depreciation (EBIDTA)	**10,312**	7,450	**10.321**	7,465
Finance Charges	**3,773**	3,703	**3,773**	3,703
Depreciation and Amortization	**2,823**	2,676	**2,823**	2,676
Total Expenditure	**84,072**	78,211	**73,999**	88,166
Exceptional items	**(2,557)**	-	**(2,557)**	-
Net Profit Before Tax (PBT)	**3,715**	1,071	**3,725**	1,086
Add: Share of profit from Associate Company	**105**	92	**-**	-
Less: Provision for Tax	**106**	189	**106**	188
Net Profit After Tax (PAT)	**3,714**	974	**3,619**	898
Balance of Profit brought forward	**12,613**	11,827	**12,401**	11,691
Balance available for appropriation	**16,327**	12,801	**16,020**	12,589
Proposed Dividend on Equity Shares	**195**	156	**195**	156
Tax on Proposed Dividend	**40**	32	**40**	32
Surplus carried to Balance Sheet	**16,092**	12,613	**15,785**	12,401

Dividend:

Your Board is pleased to recommend a dividend of 0.125 paisa per equity shares of Re.1/- each (i.e.,12.50% of the paid up Capital) for the financial year ended 31st March, 2017. If the dividend, as recommended above, is declared by the Members at the Annual General Meeting, the total outflow towards dividend on Equity Shares for the year would be Rs.234.92 lakhs (including dividend distribution tax).

Performance:

Given the challenging market environment, your Company recorded (Consolidated) revenue of Rs.852.29 crores during the year under review as against Rs.792.82 crores achieved in the previous year, showing an increase of 7.50%. The EBIT and Cash profit (Consolidated) stood at Rs.49.31 crores and Rs.39.81 crores (before exceptional items) respectively during the year under review, compared to Rs.47.74 crores and Rs.37.47 crores respectively in the previous year. The growth in revenue has been mainly attributable to improved performance of domestic formulations sales.

Domestic & Export Markets:

The southwest monsoon ended the 2016 season with three percent deficit against IMD's (India Meteorological Department) earlier projections of rains being "above normal". Although the same is termed as normal rainfall keeping in view the long period average (LPA) rainfall that India received, it was not evenly distributed. In the overall comfortable situation, there were pockets of distress with Karnataka, Punjab, parts of Gujarat and Kerala getting less than their usual share of rains. Adding to it, the Northeast Monsoon has ended with a deficit rainfall of 60%, leaving South India affected for the second year in a row. Tamil Nadu and parts of Karnataka were badly affected and thus severely affected agrochemical usage both in Khariff and Rabi crops. This has resulted in less than expected off-take, inventory built up, depressed margins and liquidity constraints in the market.

Despite the adverse market conditions, your Company achieved domestic sales of Rs.625.00 crores for the year under review as against Rs 545.00 crores in the previous year, a net increase by 14.68% to the previous year. This growth is mainly attributable to aggressive positioning, focus on sale of priority products, addition of new products,, improved flexibility of Ethakota formulation plant. Given the favorable monsoon predicted for the year 2017, the prospects for domestic market looks promising in quarters ahead. In it's to efforts to keep introducing new products in tune with

the changing market needs, your Company has launched two new products namely "Atonik", a plant growth regulator and "Slogan", a Fungicide, during the year under review. The same have been well received by farming community.

On the Exports front, the bleak situation for insecticides demand in Brazil and other importing Countries continued during the year under review, resulting in Contract Customers not buying products. Large volume products such as Profenofos, Tricyclozole and Acephate were impacted. With regard to Company's initiatives of direct marketing of branded formulated products in other geographies mainly in African and South Asian Countries during the previous few years is growing albeit slowly. Although, factors like delay in the renewal of registrations in few countries, prolonged drought in Zambia, political instability in Yemen, high inventory levels at distributor levels in many countries, strengthening of dollar, price pressure for few formulations etc., have resulted in the low formulation off-take, the outlook for this segment of business looks positive and promising. In the direction of exploring newer business opportunities by way of direct marketing branded products in other geographies, your Company continue to focus on obtaining various product registrations in other Countries. Your Company is also in process of registering various branded products in other African and South Asian Countries towards penetrating those markets.

Despite all odds, the Exports Division could maintain the performance because of various initiatives taken earlier. It could achieve export sales of Rs.109.87 crores in the year under review as compared to Rs.146.49 corers in the previous year. Keeping in view the future growth prospects in Contract (toll) manufacturing activities, your Company has been maintaining continued amicable and better relationship with the contract manufacturing customers. This has helped the Company to restore the confidence and enabled it to get renewed orders from them.

Plant Operations:

With the overall satisfactory performance during the year under review, the Srikakulam technical plant has achieved an annual production of 5,302 MT as compared to 4,160 MT in the previous year, recording an increase in production by about 27% over previous year. Despite continued slackening of demand both in domestic and export market in the wake of unfavorable market conditions, the plant could achieve the desired results mainly due to its alignment for the production of various intermediates for captive consumption as well as marketing both in export and domestic market. The plant has continued to take various newer initiatives for cost savings and capacity utilization, besides regular efforts of streamlining, debottlenecking and augmenting plant efficiencies and enhancing productivity.

Your Directors are pleased to inform that the Quatitative Assessment lab of the Srikakulam plant was awarded the Certificate of Accreditation from the National Accreditation Board for Testing and Calibration of Laboratories (NABL) and also received an Appreciation Award for its best safety practices from National Safety Council, during the year under review.

Ethakota formulation unit has been able to satisfactorily meet not only the domestic formulation market demand but also the demand from the newer and expanding export market. The unit achieved a production of 21,333 MT/KL during the year under review, comparing to the previous year production of 17,365 MT/KL registering a growth of about 22.85%. The continued focus on areas of improving flexibility, enhancing capacities, increased productivity, de-bottlenecking, quality control, and better supply chain initiatives are yielding results.

The working environment in both the units has been amicable led to maintaining cordial relationship with workers Unions and other Stakeholders. Your Company has been successful in renewing the periodic contracts with those Unions.

Credit Rating:

During the year under review, the Credit Analysis and Research Limited (CARE) has reaffirmed the ratings to the bank facilities of the Company, as follows:

a) Long-term Bank facilities: 'CARE BBB+ (Triple B Plus)'.

b) Short-term Bank facilities: 'CARE A3+ (A Three Plus)'.

Fire Insurance Claim:

During the year under review, the Insurance Company has completed its assessment of the claim on the fire affected Block-5 of Srikakulam Plant at Rs.45.64 crores and released the balance payment of Rs.32.43 crores, in addition to the earlier release of provisional amount of Rs.10.00 crores and scrap realization of Rs.3.21 crores. As there are many deductions made by the Insurance Company, besides not considering claim for LoP and interest for delayed settlement of claim, the Company has initiated the arbitration process. Your Company has accounted the above claim as per the Accounting Standards, the details of which are given in the Notes to Accounts of the Financial Statements.

New Projects/Products:

In the direction focusing on cost efficiencies and innovation, the Company's R&D Centre at Shadnagar, near Hyderabad, has been equipped with the State of Art facilities, equipments and instruments. It continues to develop cost effective processes for manufacture of Active Ingredients (AIs)/ Technical and Intermediates for Herbicides, Insecticides and Fungicides. The Center has developed processes for Technicals for Export Customers for contract manufacturing at Srikakulam, and also for Indigenous markets.

It continues efforts to develop new formulations, combination products and improving upon the efficiencies of existing processes for better productivity/cost effectiveness and has successfully developed processes for many such formulations, which are undergoing preliminary field trials. The R&D Centre is also improving upon the efficiencies of existing processes of AI and intermediates for better productivity/cost effectiveness.

Registration of the active ingredients and the final products is a major activity.This Department works on applying for registration in India as well as in Countries in Africa and SE Asia, to enable marketing of the products.

Your Directors are pleased to inform that the R&D Centre has received the Certificate of Accreditation from the National Accreditation Board for Testing and Calibration of Laboratories (NABL).

Environment Protection:

Your Company continues to maintain high standards in environmental management with its manufacturing facilities operating well within stipulated norms due to the efficient running of the Zero Liquid Discharge(ZLD) facilities in Srikakulam and Ethakota. To increase transparency, strengthen the environmental performance and standardize compliance through self-monitoring, Srikakulam manufacturing site has an online effluent and emission monitoring devices that continuously upload the data to Pollution Control Board website. These sites have also increased plantation area within the factory premises.

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

Transfer of amount to Reserves:

The Company does not propose to transfer any amount to General Reserves for the financial year ended 31st March, 2017.

Share Capital:

During the year under review, your Company has allotted 2,32,500 fully paid equity shares, upon exercise of Stock Option by the eligible Employees of the Company, pursuant to the 'Nagarjuna Agrichem Limited Employee Stock Option Scheme–2015'('ESOS-2015') of the Company and these shares were duly admitted for trading on the stock exchange(s). Subsequent to the above allotment of further equity shares, the paid up capital of your Company stand increased from Rs.15,59,11,508/-(comprising of 15,59,11,508 fully paid up equity shares of Rs.1/- per equity shares) to Rs.15,61,44,008/-(comprising of 15,61,44,008 fully paid up equity shares of Rs.1/- per equity share).

Employee Stock Option Scheme (ESOS-2015):

Your Company implemented "Nagarjuna Agrichem Ltd. – Employee Stock Option Scheme – 2015" (hereinafter referred to as "ESOS-2015") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time and as approved by the members of the Company at their Annual General Meeting held on 28th September, 2015. In terms of the said ESOS-2015, the Compensation Committee is authorized and empowered to administer and implement the Company's Employees Stock Option Scheme (ESOS-2015) including deciding and reviewing the eligibility criteria for grant, issuance of stock options under the Scheme, allotment of shares upon exercise of the options etc., with regard to the 11,50,000 (eleven lakhs fifty thousand only) options reserved under the ESOS-2015. During the previous year 2015-16, 9,30,000 (nine lakhs thirty thousand only) stock options were granted to the eligible Employees with a vesting period spread over a period of five years. Each option would entitle the holders of the Option to apply for one equity share of the Company.

Upon exercise of the vested stock options by eligible Employees under the ESOS-2015, 2,32,500 paid equity shares were allotted during the year under review. Applicable disclosures relating to Employees Stock Options as at 31st March, 2017, pursuant to Regulation 14 and other applicable Regulations of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, are set out in the **Annexure-I** to this Report and the details are also placed on the website of the Company. It was informed that there has been no material change in the said Scheme i.e., ESOS-2015 during the year under review.

Material Changes and Commitments:

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

Subsidiary Companies and Consolidation of Financial Statements:

Pursuant to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations), along with other applicable provisions of the Act , and as per Accounting Standard (AS) 21, the Audited Consolidated Financial Statements for the year ended on 31st March, 2017 are provided in this Annual Report. The Company has prepared consolidated financial statements by incorporating the financial statements of its wholly owned subsidiaries M/s. LR Research Laboratories Private Limited and M/s.Nagarjuna Agrichem (Australia) Pty, Ltd (which are yet to commence their operations) with its financial statements on line by line basis. The investments of the Company in M/s. Nasense Labs Private Limited, an Associate Company, have been accounted for in these consolidated financial statements under the equity method in accordance with AS 23 – "Accounting for Investments in Associates".

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

No other Company has become/ceased to be subsidiary or joint venture or associate Company during the financial year. There has been no material change in the nature of

the business of the aforesaid Subsidiaries and Associate. The Company has no Subsidiary which can be considered as material within the meaning Regulation 23 of the Listing Regulations.

In accordance with the provisions of Section 136(1) of the Act , read with Regulation 46 of the Listing Regulations the following have been placed on the website of the Company www.nagarjunaagrichem.com:

a) annual report of the Company, containing therein its standalone and the consolidated financial statements; and

b) Annual accounts of each of the subsidiary Companies.

Internal Financial Control Systems and their adequacy:

The Company has in place adequate internal financial controls commensurate with the size and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedure in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The Company has adopted accounting policies which are in line with the Accounting Standards and the Act. These are in accordance with generally accepted accounting principles in India. Changes in policies, if required, are made in consultation with the Auditors and are approved by the Audit Committee.

The Company's internal audit systems are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying areas of improvement, evaluating the reliability of financial statements, ensuring compliances with applicable laws and Regulations and safeguarding of assets from unauthorized use.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board and Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

Indian Accounting Standards -IndAs:

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company will adopt Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IndAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame

Auditors:

a) Statutory Auditors and Audit Reports:

Pursuant to Section 139, 142 and other applicable provisions of the Act read with Rules made thereunder, the Shareholders in their 27th Annual General Meeting (AGM) of the Company held on 09th August, 2014 appointed M/s.M.Bhaskara Rao & Co., Chartered Accountants, Hyderabad (Firm Registration No. 000459S) as Statutory Auditors of the Company to hold office from the conclusion of the 27th AGM till the conclusion of this ensuing 30th AGM. As their term is expiring and being not eligible for re-appointment, the Board of Directors, in its meeting held on 27th May, 2017, has recommended to appoint M/s. Deloitte Haskins & Sells LLP, (Deloitte) Chartered Accountants, Secunderabad (Firm Registration No.117366W/ W100018), Chartered Accountants as the Statutory Auditors of your Company for a term of 5 (five) years commencing from the conclusion of the ensuing AGM till the conclusion of the 35th AGM of the Company to be held in the calendar year 2022. The Company has received necessary written consent and confirmation from the said Deloitte, to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Act, and rules framed thereunder, and that they satisfy the eligibility criteria provided thereunder for the appointment as Statutory Auditors of the Company.

The Audit Report of M/s M.Bhaskara Rao & Co., Chartered Accountants, Hyderabad, the outgoing Statutory Auditors, on the Financials Statements of the Company for the financial year ended 31st March, 2017 read with relevant Notes thereon are self-explanatory and do not call for any further explanation. The Auditors Report does not contain any qualification, reservation, or adverse remark. During the year under review, the Statutory Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

b) Internal Auditors:

The Board of Directors of the Company have appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Secunderabad as Internal Auditors to conduct internal audit of the Company for the financial year ended 31st March, 2017 and their reports are reviewed by the Audit Committee from time to time.

c) Cost Auditors:

M/s.K.Narasimha Murthy & Co., Cost Accountants, Hyderabad have been appointed to conduct cost audits relating to Insecticides (Technical Grade and Formulations), of the Company for the year ending

31st March, 2017. Pursuant to the provisions of Section 148 of the Act read with Rules made thereunder, Members are requested to consider the ratification of the remuneration payable to M/s.K.Narasimha Murthy & Co.,Cost Accountants, Hyderabad. The Company has duly filed the Cost Audit Reports for the financial year 2015-16 with the Ministry of Corporate Affairs.

d) Secretarial Auditor and Secretarial Audit Report:

As per the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Mr. K.V.Chalama Reddy, Practicing Company Secretary, to carry out secretarial audit in terms of the Act for the financial year 2016-17. The secretarial audit report issued by Mr. K.V.Chalama Reddy, Practicing Company Secretary in form MR-3 is enclosed to this report as **Annexure - III.** The Secretarial Auditors have not expressed any qualification or reservation in their report and the report is self-explanatory.

Directors:

As on the date of this report, Company's Board comprises of 8 (Eight) Directors, out of which, 3 (three) are Non-Executive Non-Independent Directors (NEDs) including 1 (One) Woman Director. Further, out of the remaining Directors, 3 (three) are Non-Executive Independent Directors, 1 (One) Additional Director and 1 (One) is an Executive Director.

a) Director(s) to retire by rotation:

In accordance with the provisions of Section 152 of the Act, and Articles of Association of the Company, Mr.N.Vijayaraghavan, Director of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer himself for re-appointment.

b) Changes in Directorship

Mr.K.S.Raju has tendered his resignation from the Directorship position of the Board effective 03rd February, 2017. The Board of Directors places on record his valuable and constructive contribution to the Company during his long association with the Company.

Pursuant to the provisions of Section 161(1) and other applicable provisions of the Act read with Articles of Associations of the Company, Mr.R.S.Nanda, has been appointed as an Additional Director of the Company (under Non-Executive-Independent Category) with effect from 27th May, 2017 and he shall be hold office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a Member proposing Mr.Nanda for appointment as an Independent Director for a period of five years, effective the date of ensuing Annual General Meeting(AGM), subject to approval of shareholders at the ensuing AGM.

Mr.Sudhakar Kudva (DIN:02410695) being eligible to be appointed as an Independent Director of the Company in terms of the provisions of the Act and Listing Regulations. The Board of Directors in its meeting held on 27th May, 2017 has accorded its approval to appoint Mr. Kudva as an Independent Director for a period of five years with effect from 05th August, 2017. The said approval is however subject to the approval of shareholders in the ensuing Annual General Meeting.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointments of the aforesaid Mr.R.S.Nanda and Mr.Sudhakar Kudva as Independent Directors for a period of five years are being placed before the Members in this Annual General Meeting for approval.The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both Regulation 16 (1) (b) of Listing Regulations. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Directors and they are independent of the Management. Members are requested to refer to the Notice of the Annual General Meeting and the Explanatory Statement for details of the qualifications and experience of the Directors and the period of their appointment. The Board commends the passing of the Resolutions at Item Nos.6 and 7 of the Annual General Meeting Notice.

Pursuant to Section 196, 197 read with Schedule V and other applicable provisions of the Act, Mr.V.Vijay Shankar has been re-appointed as Managing Director of the Company for further period of three years with effect from 11th May, 2017, subject to approval of the Shareholders.The Board commends the passing of the Resolutions at Item No.8 of the Annual General Meeting Notice.

Mr.D.Ranga Raju has stepped down from the Chairmanship position of the Board of Directors of the Company, effective 27th May, 2017. However, he will continue as a Non-Executive and Independent Director of the Company. Consequent to the above, Mrs.K.Lakshmi Raju, appointed as Chairperson of the Board with effect from 27th May, 2017.

c) Independent Directors:

In terms of Sections 149,152 read with Schedules IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Independent Director can hold office for a term of up to five (5) consecutive years on the Board of Directors of the Company and will not be liable to retire by rotation.

All the Independent Directors have given declaration that they meet the criteria of independence laid down under Section 149(6) of the Act read with Regulation 16(b) of Listing Regulations .

d) Evaluation of performance of the Board of Directors:

Pursuant to the provisions of the Act, and Listing Regulations, the Board has carried out the evaluation of its own performance and Committees of the Board, the performances of Directors individually, the Executive Director, the Chairman of the Board etc. Various parameters as recommended in the guidance note issued by the Institute of Company Secretaries of India, were considered for evaluation and after receiving the inputs from the Directors, the performance evaluation exercise was carried out. The parameters include integrity, credibility, expertise and trustworthiness of Directors, Board's monitoring of various compliances, laying down and effective implementation of various policies, level of engagement and contribution of the Directors, safeguarding the interest of all stakeholders etc. The performance evaluation of the Board as a whole was carried out by the Independent Directors. The performance evaluation of each Independent Director was carried out by the Board. The Directors expressed their satisfaction with the evaluation process.

e) Familiarization Programme for the Independent Directors:

In compliance with the requirement of Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The same is available on the website of the Company i.e., www.nagarjunaagrichem.com.

Through the Familiarization programme, the Company apprises the Independent Directors about the business model, corporate strategy, business plans and operations of the Company. These Directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarized with Company's vision, core values, ethics and corporate governance practices.

At the time of appointment of Independent Director, a formal letter of appointment is given to him, which explains his role, responsibility and rights in the Company.

Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel

Your Company has laid down well-defined criteria for the selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel.

Criteria for making payment to Non-Executive Directors of the Company.

Your Company has laid down well-defined criteria for making payment to Non-Executive Directors of the Company. The details of the same are available at the Company's website at www.nagarjunaagrichem.com.

Directors' Responsibility Statement:

Pursuant to Section 134(3)(c) and 134(5) of the Act , the Board of Directors, to the best of their knowledge and ability, confirm that:

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

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the Profit/Loss of the Company for the year ended on that date;

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

d) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Transfer of Un-claimed Dividend:

Pursuant to Section 124 and other applicable provisions of the Act, as amended from time to time, the following un-claimed dividends were transferred to the Investors Education and Protection Fund during the year under review:

a) Unclaimed dividend amount of Rs.13,32,603/- pertaining to the final dividend for the year 2008-09;

b) Unclaimed dividend amount of Rs.7,75,742/- pertaining to the first interim dividend paid during the year 2009-10.

Corporate Social Responsibility:

Corporate Social Responsibility (CSR) has been an integral part of your Company's culture and it has been associated, directly or indirectly, for contributing towards society's development.

Although, your Company did not fall under the criteria of implementing CSR as defined under Section 135 of the Act, for the year under review, it did a number of CSR activities in and around Srikakulam and Ethakota where the Company's factories are situated. Such activities includes ongoing drinking water supplies to villages and maintenance of the Company installed RO plants in the neighboring villages, contribution to Vidhya Volunteer Scheme and Mythri Police,

street lightning and bore-well maintenance, development of school facilities, community centers and bus shelters in the surrounding villages of the factories, providing medical services and vocational courses and conducting various medical camps, etc.

In accordance with the CSR provisions in the Act, the Company has formed a CSR Committee and a CSR Policy is in conformity with the provisions of the Act. The CSR Policy can be accessed on the Company's website at http://nagarjunaagrichem.com.

Change in the nature of business:

There is no change in the nature of business of the Company.

Significant and Material Orders passed by the Regulators or Courts:

During the year, the Company has not received any significant and material orders passed from Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

Particulars of Loans, Guarantees or Investments under Section 186:

The details of Loans, Guarantees and Investments made during the financial year ended 31st March, 2017 in compliance with the provisions of Section 186 of the Act, read with the Companies (Meetings of the Board and its Powers) Rules, 2014 have been disclosed in the financial statements forming part of this Annual Report.

Extract of Annual Return:

The Extracts of the Annual Return in form MGT-9 as per the provisions of Section 92 of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure-IV** to this Directors Report.

Number of Board Meetings:

During the year under review, four (4) Board Meetings were held during the year under review. The details of the same are given in Corporate Governance Report which forms part of this Annual Report. The provisions of the Act, and the Listing Regulations were adhered to, while considering the time gap between two meetings.

Audit Committee:

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

Risk Management Policy:

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

Meeting of Independent Directors:

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

Related Party Transactions:

All the related party transactions are entered into during the financial year were on arm's length basis and in the ordinary course of Company's business and are in compliance with the applicable provisions of the Act, and Regulation 23 of Listing Regulations. The Company has not entered into any contract, arrangement or transactions with any related party which could be considered as material within the meaning of Regulation 23 of the Listing Regulations. Related Party Transactions under Accounting Standard-18 (AS-18) are disclosed in the notes to the financial statement.

As, there are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel's etc., which may have potential conflict with the interest of the Company at large, the disclosure in Form AOC-2 is not applicable. Necessary disclosures and the statement of all related party transactions is presented before the Audit Committee and the Board of Directors on a quarterly basis specifying the nature, value and terms and conditions of the transactions. All Related Party Transactions are approved by the Audit Committee and omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed on a quarterly basis by the Audit Committee.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website www.nagarjunaagrichem.com. The details of the transactions with Related Parties are provided in the accompanying financial statements.

Vigil Mechanism/Whistle Blower Policy:

The Company has implemented Whistle Blower Policy to deal with any fraud, irregularity or mismanagement in the Company. The policy enables any employee or Director to directly communicate to the Chairman of the Audit Committee to report any fraud, irregularity or mismanagement in the Company. The policy ensures strict confidentiality while dealing with concerns and also that no discrimination or victimization is meted out to any whistleblower. The Whistle Blower Policy as approved by the Board is uploaded on the Company's website www.nagarjunaagrichem.com. During the year under review,

your Company has not received any complaints under the said policy of the Company.

Nomination and Remuneration Policy:

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

Corporate Governance:

In compliance with Regulation 34 read with Para-C of Schedule V of Listing Regulations, a separate report on Corporate Governance has been included in this Annual Report together with the Auditor's certificate confirming compliance of the Corporate Governance as stipulated under the said Regulations. All the Board members and the Senior Management Personnel have affirmed compliance with the Companies "Code of Conduct for Board and Senior Management Personnel" for the financial year 2016-17.

A certificate signed by the Managing Director and Chief Financial Officer (CFO) certifying the financial statements and other matters as required under Regulation 17(8) of the Listing Regulations , forms part of this Annual Report.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 16(b) of the Listing Regulations, is presented in a separate section forming part of this Annual Report.

Policy on Sexual Harassment:

The Company has zero tolerance for sexual harassment at workplace and has adopted a "Policy on Sexual Harassment of Associates" in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Policy aims to provide protection to employees at the workplace, and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, and framed with the objective of providing a safe working environment, where employees feel secure. There were no cases reported during the financial year 2016-17 under the said Policy.

Brand Protections:

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

Listing with NSE and Fees:

Your Directors pleased to inform the members that the Company's equity shares has been listed with National Stock Exchange of India Limited (NSE) and the trading on the bourses has commenced with effect from 7th April, 2017. The Company has paid the Listing Fees for the year 2017-18 to both BSE Limited (BSE) and NSE, the Stock Exchange(s) where the Company's shares are listed.

Fixed Deposit:

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

Industrial Relations:

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

Insurance:

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

Particulars of Employees and Remuneration:

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure –V** to this report.

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

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

Acknowledgement:

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

For and on behalf of the Board

N.Vijayaraghavan	**V.Vijay Shankar**
Director	Managing Director
(DIN:02491073)	(DIN:00015366)

Place: Hyderabad
Date: 27th May, 2017

ANNEXURE- I TO DIRECTORS REPORT

EMPLOYEE STOCK OPTION SCHEME (ESOS) DISCLOSURE

[Pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]

I) General Disclosures

Disclosure under "Guidance note in Accounting for the employee share based payments" or any other applicable Accounting Standards (AS): For details please refer to notes to Standalone Financial Statements, forming part of this Annual Report 2016-17 which can be accessed through the web link: http://www.nagarjunaagrichem.com/annual-reports.php.

II) Description of ESOS existed during the year:

S.No.	Particulars	ESOS-2015
1.	Date of Shareholder's Approval	28th September, 2015.
2.	Total Number of Options approved	11,50,000 (Eleven Lakhs fifty Thousand Only) options. The Option holder is eligible to receive one equity share of Re.1/- each for every Option granted.
3.	Vesting Requirements	There shall be a minimum period of one year between the grant of Options and vesting of Options. The vesting of Options spreads over a maximum period of five years after the aforesaid one year from the date of grant. The vested options can be exercised within two years from the date of vesting.
4.	The Pricing Formula	As decided by the Compensation Committee from time to time at the time of grant, subject to a minimum of face value of shares. The exercise price for the Options already granted is Rs.8/- per Options.
5.	Maximum term of Options granted	5 years (to be counted after one year from the date of grant as aforesaid)
6.	Sources of Shares	Fresh issue of shares.
7.	Variation in terms of ESOS-2015	Nil
8.	Methods used for accounting of ESOS-2015	Intrinsic Value
9.	The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed.	Rs.21.08 laks.

III) Option Movement during the year:

S.No.	Particulars	ESOS-2015
1.	No. of Options outstanding at the beginning of the year	Nil
2.	Options granted during the year	9,30,000
3.	Options forfeited/surrendered during the year	Nil
4.	Options lapsed during the year	Nil
5.	Options vested and exercisable during the year	2,32,500
6.	Options exercised during the year	2,32,500
7.	Total number of shares arising as a result of exercise of options	2,32,500
8.	Money realized by exercise of option (INR) if scheme is implemented directly by the Company.	18,60,000

S.No.	Particulars	ESOS-2015
9.	Loan repaid by the Trust during the year form exercise price received.	N.A.
10.	Number of Options outstanding at the end of the year	6,97,500
11.	Number of Options exercisable at the end of the year	Nil

IV) (i) Weighted average fair value of options granted during the year whose exercise price is less than market price for Grant- I Rs.17.00 and Grant- II Rs.17.85.

Note: The fair value has been calculated using the Black Scholes Option pricing model. For details of the same along with the assumptions used in the model, the Note No.40 to the Standalone Financial Statements forming part of this Annual Report may be referred

(ii) Weighted average exercise price of options granted during the year whose exercise price is less than market price: Rs.8/-

(iii) The weighted average market price of options exercised during the year: N.A

V) Employee wise details of option granted during the year:

a**) Senior management Personnel**

No.	Name	Designation	No. of options granted
1.	Mr. Amit Taparia	Vice President – Procurement, IT & SCM	65000
2.	Mr. C. Varada Rajulu	Vice President-Manufacturing (SKLM Plant)	50000
3.	Mr. G.Jagannadha Rao	Executive Vice President - Exports	75000
4.	Mr.G. V. Suryanarayana	Sr.General Manager – Marketing & Sales	60000@
5.	Mr. Harish Chandra Bijlwan	Vice President – Operations & Technology	50000
6.	Mr. J. Satyanarayana Das	Vice President-Manufacturing (Ethakota Plant)	50000
7.	Mr. K.Sudhakar	Sr.General Manager - Technical Services	50000
8.	Mr. Manikkam Natarajan	Executive Vice President – Marketing & Sales	75000
9.	Mr. Mukesh Garg*	General Manager – Marketing & Sales	40000
10.	Mr. M.Venkateswara Rao	Sr. General Manager – MPD	50000
11.	Mr. R. K. S. Prasad	Chief Financial Officer	75000
12.	Mr. Satish Kumar Subudhi*	Company Secretary & Head-Legal	40000
13.	Mr. S. Chandra Sekhar	Sr. Vice president-Corporate-HPD	50000
14.	Mr.Venkatesan Subbusamy	Sr.General Manager – Registration & Regulatory Affairs.	50000
15.	Mr. V. Vijay Shankar	Managing Director	100000
16.	Dr. B. B. Saha	Chief R&D Officer (Associate Company)	60000
17.	Mr.S.Mani Prasad	Sr. General Manager – Corporate HPD	50000 #

* The options granted does not exceed 5% of total options granted.

@ 10,000 additional options granted on 12th May, 2017.

Options granted on 12th May, 2017.

b) The exercise price for all the aforesaid options granted is Rs.8/-(Rupees Eight Only) per option.

c) Identified employees who were granted options in any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: Nil

ANNEXURE- II TO DIRECTORS REPORT

Form No. AOC-1

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/Joint ventures

[Pursuant to first proviso Section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

(Rs.in Lakhs)

Sl. No	Particulars	Name of the Company	
		LR Research Laboratories Private Limited (wholly owned subsidiary)	Nagarjuna Agrichem (Australia) Pty. Ltd (overseas wholly owned subsidiary)
1.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period.	NA	NA
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	AUD (AUD/INR= 50.79)
3.	Share capital	1.00	24.52
4.	Reserves & Surplus	3.26	(30.82)
5.	Total assets	10.07	-
6.	Total Liabilities	10.07	-
7.	Investments	-	-
8.	Turnover	-	-
9.	Profit/(Loss) before taxation	(2.86)	(6.92)
10.	Provision for Taxation	-	-
11.	Profit/(Loss) before taxation	(2.86)	(6.92)
12.	Proposed Dividend	-	-
13.	% of shareholding	100%	100%
14.	1. Names of subsidiaries which are yet to commence operations.	Yet to commence its Operations	Yet to commence its operations
	2. Names of subsidiaries which have been liquidated or sold during the year.	N.A.	N.A.

Part "B": Associates and Joint Ventures

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

Sl. No	Name of the Associate	Nasense Labs Private Limited
1.	Latest audited balance sheet date	31st March, 2017
2.	Shares of Associate held by the Company on the year end:	Equity shares @Rs.10/-
	i. Number of equity shares	49,36,052
	ii. Amount of investment in Associated/Joint venture	Rs.4,93,60,520/-
	iii. Extend of holding %	26%
3.	Description of how there is significant influence	Significant influence means a control of atleast 20% of the total shares capital or of business decisions under an agreement. Since the holding of the company is more than 20% hence there is significant influence.
4.	Reason why the associate/ joint venture is not consolidated	The investments in M/s Nasense Labs Pvt Ltd have been accounted in the consolidated financial statements under the equity method in accordance with AS 23 –"Accounting of investments in Associates".
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs.8,51,95,364/-
6.	Profit/Loss for the year	Rs.4,04,38,032/-
	i. Considered in consolidation	Rs.1,05,13,888/-
	ii. Not considered in consolidation	-
7.	Names of associates or joint ventures which are yet to commence operations	Nil
8.	Name of associates or joint venture which have been liquidated or sold during the year.	Nil

ANNEXURE-III TO DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2017

[Pursuant to sec. 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Nagarjuna Agrichem Limited
Hyderabad.

1. I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by Nagarjuna Agrichem Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 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.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 ("Audit Period") according to the provisions of :
   i) The Companies Act, 2013 (the Act) and the rules made there-under;
   ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
   iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
   iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
   v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
      a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
      c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not applicable during the audit period.
      d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -Not applicable during the audit period**.**
      e) 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;
      f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -Not applicable during the audit period.
      g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -Not applicable during the audit period.
      h) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
      i) The Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015.
   vi) The Company is into business of manufacture and sale of Agro Chemicals. Accordingly, the following major industry specific Acts and Rules, which are inter-alia, applicable to the Company, in view of the Management:
      a) The Insecticides Act,1968 and Rules made thereunder.
      b) The Boiler Act,1923 and Rules made thereunder.

vii) I, have also examined compliance with Secretarial Standards issued by the institute of Company Secretaries of India in respect of Board and General Meeting(s) of the Company.

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

4. I, further report that:
   a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
   b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
5. I further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. I further report that the Company has allotted 2,32,500 equity shares of Rs.1/-each to the grantees, upon exercise of 2,32,500 options granted pursuant to 'Nagarjuna Agrichem Ltd Employees Stock Option Scheme-2015' approved by the shareholders of the Company at their Annual General Meeting held on 28th September,2015. There were no other major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.,

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

Place : Hyderabad
Date : 27th May, 2017

'Annexure - A'

[This report is to be read with my letter of even date which is given as Annexure 'A' and forms an integral part of this report.}

To,
The Members
Nagarjuna Agrichem Limited
Hyderabad

My report on the even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the processes and practices, I followed provide reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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.

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

Place : Hyderabad
Date : 27th May, 2017

ANNEXURE-IV TO DIRECTORS REPORT

FORM No. MGT-9

Extract of Annual Return as on the financial year ended on 31St March, 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	L24219TG1986PLC016607
ii.	Registration Date	11/11/1986
iii.	Name of the Company	Nagarjuna Agrichem Limited
iv.	Category / Sub-Category of the Company	Company Limited by Shares
v.	Address of the registered office and contact details	Plot No. 12-A, No. 8-2-248/1/7/78, "C" Block, Lakshmi Towers, Nagarjuna Hills, Panjagutta, Hyderabad – 500082, Telangana, India. Ph. No. 040-33602153, Fax:040-23350234 Email: cs-nacl@nagarjunaagrichem.com Website: www.nagarjunaagrichem.com
vi.	Whether listed company	Yes, BSE Limited (BSE) and National Stock Exchange India Limited (NSE)
vii.	Stock Code	BSE-524709 NSE-NAGAAGRI
viii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	XL Softech Systems Limited No. 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034. Telangana Ph. No. 040 – 23545913,14,15 Email: xlfield@rediffmail.com www.xlsoftech.org

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	KLR Products Limited	U24239TG2003PLC041387	Holding	72.77%	2(46)
2.	LR Research Laboratories Private Limited	U73100TG2011PTC076023	Subsidiary	100%	2(87)
3.	Nagarjuna Agrichem (Australia) Pty. Ltd	Foreign Company	Subsidiary	100%	2(87)
4.	Nasense Labs Pvt. Ltd	U24231TG1995PTC019809	Associate	26%	2(6)

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

i) Category-wise Share Holding

Sl. No	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/HUF	3,018,360		3,018,360	1.93	3,018,360	0	3,018,360	1.93	0
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	113,623,500	0	113,623,500	72.88	113,623,500	0	113,623,500	72.77	0
e)	Banks/FI	0	0	0	0	0	0	0	0	0
f)	Any Other….	0	0	0	0	0	0	0	0	0
	Sub-total (A) (1)	**116,641,860**	**0**	**116,641,860**	**74.81**	**116,641,860**	**0**	**116,641,860**	**74.70**	**0**
(1)	**Foreign**	0	0	0	0	0	0	0	0	0
a)	NRIs – Individuals	0	0	0	0	0	0	0	0	0
b)	Other – Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks/ FI	0	0	0	0	0	0	0	0	0
e)	Any Other….	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	**116,641,860**	**0**	**116,641,860**	**74.81**	**116,641,860**	**0**	**116,641,860**	**74.70**	**0**
B.	**Public Shareholding**									
(1)	**Institutions**									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks/FI	0	0	0	0	0	0	0	0	0
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIIs	0	0	0	0	0	0	0	0	0

Sl. No	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	
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others (Foreign Portfolio investor)	1622749	0	1622749	1.04	3171124	0	3171124	2.03	0
	Sub-total (B)(1):-	1622749	0	1622749	1.04	3171124	0	3171124	2.03	0.99
(1)	**Non-Institutions**									
a)	**Bodies Corp.**									
i)	Indian	7083925	68603	7152528	4.59	7956592	68603	8025195	5.14	0.55
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	**Individuals**									
i)	Individual Shareholders holding nominal share capital upto Rs. 1 lakh	10744913	5060655	15805568	10.14	18293217	5153311	23446528	15.02	4.88
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	13712209	230716	13942925	8.94	4046012	0	4046012	2.59	6.35
c)	**Others (Specify)**	**222508**	**0**	**222508**	**0.14**	**232500**	**0**	**232500**	**0.15**	**0.01**
	Directors/Relatives	29996	0	29996	0.02	54996	0	54996	0.04	0.02
	Non Resident Indians	476472	0	476472	0.31	464402	24285	488687	0.31	0
	Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
	Foreign Nationals	0	0	0	0	0	0	0	0	0
	Clearing Members	16902	0	16902	0.01	37106	0	37106	0.02	0.01
	Trusts	0	0	0	0	0	0	0	0	0
	Sub-total (B)(2):-	**32286925**	**5359974**	**37646899**	**24.15**	**31084825**	**5246199**	**36331024**	**23.27**	**0.88**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**33909674**	**5359974**	**39269648**	**25.19**	**34255949**	**5246199**	**39502148**	**25.30**	**0.11**
C.	**Shares held by Custodian for DGRs & ADRs**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Grand Total (A+B+C)	**150551534**	**5359974**	**155911508**	**100**	**150897809**	**5246199**	**156144008**	**100**	**0**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1.	KLR Products Limited	113623500	72.88	-	113623500	72.77	46773453	-0.11
2.	Mrs.K.Lakshmi Raju	3018360	01.93	-	3018360	01.93	-	-
	Total	**116641860**	**74.81**	**-**	**116641860**	**74.70**	**46773453**	**-0.11**

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

Sl. No	Name of the Promoters	Shareholding of the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	116641860	74.81	116641860	74.70
	Date wise increase / decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus sweat equity etc.,)				
	At the end of the year	**116641860**	**74.81**	**116641860**	**74.70**

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and holders of GDR's and ADR's)

Sl. No	For each of the top 10 shareholders	Shareholding of the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ares Diversified	1622749	1.04	3171124	2.03
2.	NACL Unclaimed Sus.Account	1742678	1.12	1734608	1.11
3.	Ajay Kumar Kayan	-	-	1374141	0.88
4.	Savera Cityscape Private Ltd	1257441	0.80	1257441	0.80
5.	Pinky Ventures Pvt Ltd	986300	0.63	986300	0.63
6.	JSM Mining Service Pvt Ltd	-	-	793839	0.51
7.	Hitesh Satishchandra Doshi	849285	0.54	668440	0.43
8.	Rakesh Bhasin	559348	0.35	559348	0.35
9.	Tapan Kumar Dey	442889	0.28	480393	0.31
10.	Karvy Stock Broking Ltd	-	-	423597	0.27
11.	Errol Fernandes	-	-	398676	0.25
12.	Indian Syntans Investments	364295	0.23	364295	0.23

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding of the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Mr.V.Vijay Shankar (Managing Director)**				
	At the beginning of the year	13891	0.004	13891	0.004
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): ESOP Shares allotted on 21.11.2016	-	-	25000	0.02
	At the end of the year	**13891**	**0.004**	**38891**	**0.024**
2.	**Mrs.K.Lakshmi Raju (Promoter & Director)**				
	At the beginning of the year	3018360	01.93	3018360	01.93
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	**3018360**	**01.93**	**3018360**	**01.93**
3.	**Mr.R.K.S Prasad (Chief Financial Officer)**				
	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): ESOP Shares allotted on 21.11.2016	-	-	22500	0.014
	At the end of the year	-	-	**22500**	**0.014**
4.	**Mr.Satish Kumar Subudhi(Company Secretary & Head Legal)**				
	At the beginning of the year	187508	0.12	187508	0.12
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): ESOP Shares allotted on 21.11.2016	-	-	10000	0.006
	At the end of the year	**187508**	**0.12**	**197508**	**0.126**

VI. INDEBTEDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	287.88	38.00	-	328.08
ii) Interest due but not paid	0.51		-	
iii) Interest accrued but not due	-		-	
Total (i+ii+iii)	**288.39**	38.00	**-**	**326.39**
Change in Indebtedness during the financial year				
Addition	25.50	10.00	-	35.50
Reduction	-80.45	21.47	-	-58.98
Net Change	**-54.95**	**26.53**	**-**	**-28.42**

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	233.44	26.53	-	259.97
ii) Interest due but not paid	0.60	-	-	0.60
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**234.04**	26.53	**-**	**260.57**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration of Managing Director and Key Managerial Personnel for the financial year 2015-16:

(Amount in Rs.)

Sl. No.	Particualrs of Remuneration	Mr.V.Vijay Shankar, Managing Director
1	Gross Salary:	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	73,74,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	52,241
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	2,38,750
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others, please specify (contribution to provident fund)	4,03,200
	Total (A)	**80,68,191**
	Ceiling as per the Act	**2,40,00,000**

(B) REMUNERATION TO OTHER DIRECTORS : (Amount in Rs.)

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
1	**Independent Directors**	**Mr.D.Ranga Raju**	**Mr.K.Raghu-raman**	**Mr.Raghavender Mateti**		
	Fee for attending Board/Committee Meetings	30,000	1,80,000	1,80,000		
	Commission	-		-	-	
	Others (please specify)	-		-	-	
	Total (1)	**30,000**	**1,80,000**	**1,80,000**		**3,90,000**
2	**Other Non-Executive Directors**	**Mr.K.S.Raju***	**Mr.Sudhakar Kudva**	**Mrs.K.Lakshmi Raju**	**Mr.N. Vijaya-raghavan**	
	Fee for attending Board/Committee Meetings	90,000	1,20,000	45,000	45,000	
	Commission	-	-	-	-	-
	Others (Professional consultancy fees paid to Mr.N.Vijayaraghavan for the financial year 2016-17)	-	-	-	**28,80,000**	**28,80,000**
	Total (2)	**90,000**	**1,20,000**	**45,000**	**29,25,000**	**3,00,000**
	Total (B)=(1+2)					**6,90,000**
3	Total Managerial Remuneration (A)+(B)					**80,68,191**
	The total remuneration paid during the financial year 2016-17 is within overall ceiling limit as per the Act.					

* Resigned from the Directorship of the Board with effect from 03rd February, 2017.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Amount in Rs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
		Mr.R.K.S.Prasad	Mr. Satish Kumar Subudhi	
1	Gross Salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	58,76,302	24,69,738	83,46,040
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	37,196	8,250	45,446
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-
2	Stock Option	2,14,875	95,500	3,10,375
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	28,00,80	1,27,152	4,07,232
Total		**64,08,453**	**27,00,640**	**95,16,325**

VIII. PENALTIES / PUNISHMENT / COMPUNDING OF OFFENCES:

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

ANNEXURE – V TO DIRECTORS REPORT

The disclosure of remuneration during the year 2016-17 pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014:

1. **Ratio of remuneration of each Director to the median remuneration of employees of the Company for the financial year 2016-17 and the Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any in the financial year.**

Sl. No.	Director and KMP	Remuneration (Rs. in lakhs)	Ratio median remuneration	% increase in remuneration in the FY
1.	Mr.K.S.Raju, Non-Executive Director	0.90	0.29	-18.18%
2.	Mrs.K.Lakshmi Raju, Non-Executive Director	0.45	0.14	200%
3.	Mr.D.Ranga Raju, Independent Director	0.30	0.10	-77.77%
4.	Mr.Sudhakar Kudva, Non-Executive Director	1.20	0.38	-
5.	Mr.K.Raghuraman, Independent Director	1.80	0.58	-7.69%
6.	Mr.Raghavender Mateti, Independent Director	1.80	0.58	-7.69%
7.	Mr.N.Vijayraghavan, Non-Executive Director	0.45	0.14	-47.05%
8.	Mr.V.Vijay Shankar, Managing Director	80.68	25.92	5.31%
9.	Mr.R.K.S Prasad, Chief Financial Officer	64.08	N.A	27.22
10.	Mr.Satish Kumar Subudhi, Company Secretary & Head-Legal	27.00	N.A	34.60

Notes:

a) During the year under review, the Remunuration paid to the Non-Excutive Directors and the sitting fees paid to the Directors for attending meetings of the Board and various Committees.

b) The consultancy fees of Rs.28.80 lakhs paid to Mr.N.Vijayaraghavan is in professional capacity and hence not included Managerial Remuneration.

c) Employees for the purpose above include all employees excluding employees governed under collective bargaining.

2. **The Percentage increase in the median remuneration of employees in the financial year: 24.80.%**
3. **The number of permanent employees on the rolls of the Company:1161**
4. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2016-17, and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   Average percentage increase made in the salaries of employee other than the managerial personnel in the financial year 2016-17 is 27.52% (i.e.,99.68 percentile) as compared with the percentage increase in the managerial remuneration of 12.42% (i.e.,0.32 percentile)

5. **Statement under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: ***

   (a) i) Gross remuneration shown above is subject to tax and comprises salary, allowances, commission, incentives, monetary value of perquisites, Company's contribution to provident fund and superannuation fund. In addition to the above, employees are also entitled to gratuity, medical benefits etc. in accordance with Company's Rules.

   ii) None of the above employee, along with the spouse and dependent children holds more than 2% of the equity shares of the Company.

   iii) All employees are permanent employee of the Company.

   (b) Employed throughout the financial year and in receipt of remuneration aggregating One Crore and Two Lakhs Rupees per financial year: **Nil**

   (c) Employed for part of the financial year and in receipt of remuneration aggregating Eight Lakhs and Fifty Thousand Rupees per month or more: **Nil**

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

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

ANNEXURE –VI TO DIRECTORS REPORT

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

[Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY:

1. Steps taken or impact on conservation of energy:

To avoid steam losses through condensate and leaking, steam preheating done and reduced losses of steam:

a) All steam traps are connected to condensate and flash steam recovery system and collecting the boiler feed water. Hence saving in steam and condensate.

b) New Gas Incinerator to optimize the use of high energy intensive Rotary Kiln.

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

a) Evaluation the solar electric plant of 300KW for plant lightning system.

3. The capital investment on energy conservation equipments: **(Rs.in lakhs)**

Sl.No.	Area	Scheme	Investment
1.	Production/ Utility	PRS for steam distribution system and condensate recovery.	40.00
2.	ZLD (Environment)	New Gas Incinerator	250.00**

** Expected to be over by Aug'2017.

B. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

1.	The efforts made towards technology absorption	Increased size of R&D, Process development, purchase of new equipments and generation of process technical date for new products.	
2.	The benefits derived like product improvement, cost reduction, product development or import substitution.	a) The plants operated effectively with the new addition of products. b) Exports started growing. c) Some products registered; cost reduction	
3.	In case of imported technology (imported during the last three (3) years reckoned from the beginning of the financial year)	The Company has not imported any technology during the year	
	a) Details of Technology Imported	None	
	b) Year of Import	Not applicable	
	c) Whether the Technology has been fully absorbed	Not applicable	
	d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	Not applicable	
4.	**The expenditure incurred on Research & Development**		
	a) Specific areas in which R&D carried out by the Company	Indigenous process development for new products	
		R&D work on the existing processes to make them environmentally friendly and cost effective.	
	b) Benefits delivered as a result of the above R&D	Increased export and domestic business, and improved product quality.	
	c) Future plans of action	Introduction of new products through indigenously developed technology for domestic and export market.	
5.	**Expenditure on R&D for the financial year**	**2016-17**	**2015-16**
	a) Capital	617.76 Lakhs	Rs. 537.38 Lakhs
	b) Recurring	95.34 Lakhs	Rs. 51.05 Lakhs
	c) Total expenditure as a percentage of total turnover	0.97%	1.01%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

1. Foreign Exchange Earned (FOB Value) : Rs.103.52 lakhs
2. Foreign Exchange Used : Rs.132.00 lakhs

For and on behalf of the Board

	N.Vijayaraghavan	**V.Vijay Shankar**
Place : Hyderabad	Director	Managing Director
Dated : 27th May, 2017	(DIN:02491073)	(DIN:00015366)

Management Discussion and Analysis Report

The Discussion report is on the Crop protection business covering the Indian and global markets.

Global Economic Scenario:

Global economic activity is picking up with a long-awaited cyclical recovery in investment, manufacturing and trade. World growth is expected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018. Emerging market and developing economies have become increasingly important in the global economy in recent years. They now account for more than 75 percent of global growth in output and consumption, almost double the share of just two decades ago. The external environment has been important for this transformation. (Source: IMF World Economic Outlook).

Asia continues to perform well, even as recovery in the major industrial economies remains weak. The region forecasts to expand by 5.7% in 2017 and 2018, as against nearly the 5.8% growth achieved in 2016.

Recent political developments highlight a fraying consensus about the benefits of cross-border economic integration. A potential widening of global imbalances coupled with sharp exchange rate movements, should those occur in response to major policy shifts, could further intensify protectionist pressures. Increased restrictions on global trade and migration would hurt productivity and incomes, and take an immediate toll on market sentiment. (Source: IMF World Economic Outlook)

The global crop protection chemicals market is estimated to be valued at USD 54.89 Billion in 2016 and projected to reach USD 70.57 Billion by 2021, at a CAGR of 5.15% from 2016 to 2021. With the increase in demand for food security for the growing population along with the limited agricultural land available in the world, and rise in crop loss due to various pest attacks, the use of crop protection chemicals is expected to enhance the market growth. (source: Crop Protection market report of Markets and Markets).

Indian Economic Scenario:

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). India's growth is expected to rebound to 7.2% in the 2017-18 fiscal and 7.7% in 2018-19 after disruptions caused by demonetization, the IMF said, while recommending the removal of long-standing structural bottlenecks to enhance market efficiency. (sources; economic times-economic indicators-India Growth).

Agriculture sector is estimated grown at 4.1% in 2016-17 as opposed to 1.2 % in 2015-16; the higher growth in agriculture sector as the monsoon rains was much better in the year under review than the previous two years. Growth rate of the industrial sector is estimated to moderate to 5.2 % in 2016-17 from 7.4 % in 2015-16 as against Service sector is estimated to grow at 8.9 % in 2016-17, almost the same as in 2015-16. (Source: phdcci- Research Studies-News letters)

Industry Overview:

The Indian agriculture sector remains the backbone of the nation's economy accounting for 15.35% of the country's Gross Domestic Product (GDP) as per the estimates of Central Statistics Office (CSO). Indian agriculture is highly monsoon dependent, out of the 142 million hectares of net sown area, only 45% or 64 million hectares have access to irrigation facilities. According to CSO, the market size of agriculture and its allied sectors (including agriculture, livestock, forestry and fishery) during FY16 was about Rs.16.02 lakh crore and has shown a marginal growth of about 1-2% compared to earlier year.

Currently, India is the fourth largest global producer of pesticides with an estimated market size of around $4.5 billion in FY17 after United States, Japan and China. Considering the above average rainfall across India which concomitantly leads to increase in agricultural production, it is expected that the growth in consumption of Indian pesticides would be about 10%. India's share in global pesticide market is around 10% in FY17. India's pesticides consumption is one of the lowest in the world with per hectare consumption of just 0.6 Kg compared to US (5-7 Kg/ha) and Japan (11-12 Kg/ha). In India, paddy accounts for the maximum share of pesticide consumption around (26%-28%) followed by cotton (18% -20%). Erratic rains typically impact sowing and make farmers miss the application of pesticides. The two consecutive years of FY14 & FY15 has suffered poor monsoons which lead to a slump in pesticide sales. However, players have managed to reduce the impact of a poor monsoon on domestic sales during that period by ramping up their export presence. Poor irrigation infrastructure has led to a strong correlation between Indian agriculture and monsoon. However, FY17 turned out to be a good monsoon year after two consecutive years of below normal south-west monsoon (June-September) rainfall; however the North East monsoon was poor resulting in South states like Tamil Nadu and Kerala having to declare the state as drought affected. Furthermore as per IMD forecast India is likely to receive healthy monsoon rains in FY 17-18 at 96 percent of the 50-year average of 89 cm, thus bearing a positive effect on all the industries dependent on agriculture, so as Agrochemical Industry. (Source: Care Ratings' report on 'Outlook of Indian Pesticide Industry')

According to a report by Tata Strategic Management Group, the Indian agrochemical generated a value of $4.4 billion in FY15 and is expected to grow at 7.5% per annum to reach $6.3 billion by FY20. Approximately 50% of the demand comes from domestic consumers and the rest from exports. During the same period, the domestic demand is expected to grow at 6.5% per annum and exports at 9% per annum.

Outlook:

According to a market report published by Lucintel, the future in the global pesticide industry looks good with opportunities in insecticides, fungicides and herbicides market. The major drivers of growth for this market are increasing population, limited availability of arable land, and increasing awareness of using pesticides. With the various headwinds, the global Agrochemicals market is expected to demonstrate modest, yet steady growth. The Asia Pacific market has however evolved as a huge market for the crop protection and is expected to experience healthy growth rate in the near future.

The Government of India initiatives to enhance farmer's income, revive rural demand and eliminate rural poverty including higher investments in irrigation, increased coverage under crop-insurance, a fund to develop dairies, wider access to credit, expansion of agri-markets by de-notifying fruits and vegetables etc., has made the total budget allocation for the rural, agriculture and allied sectors in the year 2017-18 to Rs. 1,87,223 crores, which is 24% higher than the previous year 2016-17. The socio-economic focus across the segments including farmers, rural population, youth, poor and underprivileged will have a significant impact on the inclusive development of the country, going forward. The emerging trends will have a direct impact on the dynamics of the Agriculture sector as a whole so as the Pesticides Industry as well.

Further consolidation and business tie ups are the major opportunities in the industry. However, most of the players in the industry display high working capital intensity primarily on account of high credit extended to the farmers and seasonal demand. Hence, strong distribution network, appropriate pricing, brand recall and dealer margins are some of the critical factors for an industry player to succeed.

Opportunities:

The Pesticide Industry in India is growing rapidly and is marked by presence of a large number of unorganized players. However, there are several organized players in the Indian market, including your Company, which have been succeeding in capturing a significant share on account of their business strategies and marketing efforts to reach their target audience. The major reason behind their success is their sales force, quick delivery of their products and innovative technology owing to the time and money they spend on R&D. The main opportunities for your Company are in huge potential in the domestic, export markets and contract manufacturing.

- The implementation of Goods and Services Tax (GST) in India is likely to cause a shift in market shares leading to expansion of organized sectors in FY 2018 at the cost of unorganized sectors. In its report, ICRA said the introduction of the GST is likely to reduce competitiveness of the unorganized sector and compliance burden would increase particularly for the SME sector.
- The Government has been supportive of the agricultural sector through a number of policy measures and initiatives. Not only has there been an increase in minimum support prices (MSPs) across crop categories but also an overall increase in the outlay for rural welfare and agriculture related schemes, which will support the Agrochemical business as well. Some of the policy initiatives and budget allocation for the sector include the Fasal Bima Yojana, a Crop Insurance Scheme to insulate farmers against natural calamities; Agri-Credit facilities (target for agricultural credit in FY 2017-18 has been fixed at a record level of 10 lakh crores); New mini labs in Krishi Vigyan Kendras (KVKs) ensuring 100% coverage of all 648 KVKs in the country for soil sample testing; Setting up of Long Term Irrigation Fund in NABARD; Dedicated Micro Irrigation Fund in NABARD to achieve 'per drop more crop'; Assistance to cover National Agricultural Market (e-NAM) across India; Model law on contract farming for integrating Farmers (who grow fruits and vegetables) with agro processing units for better price realization and reduction of post-harvest losses;
- Another important shift is the increase in fruits and vegetable (F&V) acreages due to strong demand for high nutrition food groups. More demand and a focus on quality produce from modern retail and food processing units supports better prices realization for the farmers for F&V produce. While the share of cultivated land for fruits and vegetables has doubled over the last two decades, it is still less than 10 percent in total, so there is significant room for growth in this sector. The increasing demand for F&V will also encourage the growth of fungicides in the domestic market.
- In addition to the growth of its domestic market, India has also emerged as a preferred global supplier and destination for outsourced manufacturing. Indian agrochemicals contract manufacturers have showcased their capabilities to global innovators with regard to the delivery of uncompromised product quality, supply security, respect for product/process patent and domestic and international regulatory compliance. There is a greater degree of comfort among global innovators with respect to data protection in India, which should not only increase the number of innovative products launched in India but should also give a boost to the contract manufacturing industry in India.
- More than 15 active ingredients worth US$4.1 billion are expected to go off-patent by the year 2020 as per a report of KPMG. This provides significant export opportunities for Indian companies which have expertise in manufacturing generic products.
- In the past, the availability of cheap labor for manual weed picking has limited growth for herbicides. But today's labor shortages, rising labor costs and new genetically modified crops have increased the use of herbicides, which is likely to be the fastest-growing segment within agrochemicals.

- The current labor shortage is accelerating the introduction of slow release or controlled release types of formulations which avoid multiple sprays. Moreover, it has also been seen increased introduction of combination products, having broad spectrum efficacy and longer duration of control. Farmers are also investing more in seed treatment agrochemicals that help ensure disease resistance along with better and more uniform germination.
- The CIB Registration Committee in its 371st Meeting in December 2016, has taken various important and landmark decisions,and recommended to Ministry of Agriculture for implemention which unfolds many opportunities for Indian Agrochemical Companies, more particularly the organized players. Few of the said decisions and their implications are briefly summarized herein below:
  1) A simplified guideline for already registered strain of bio-pesticides will be framed by CIB&RC, to help the genuine bio-pesticide manufacturers and applying under right category. As bio-pesticide is more specific nature unlike chemical pesticide, this decision will help to apply under right category by the manufacturers.
  2) To promote "Make in India" Program, import of already registered molecules for Indigenous manufacture, will not be granted henceforth.

As the Indian farmers look for better agronomic practices and solutions, your Company has geared up to seize these opportunities of providing these services. As Contract manufacturing is one the major growth areas, your Company is well placed in servicing this opportunity with its existing International Customers and its strong manufacturing and technical capability.

Challenges, Threats, Risks and Concerns:

One of the immediate areas of concern is the impact on consumption of pesticides due to the introduction of GST with effect from 01st July 2017. The GST rate at 18%, is expected to increase the cost to the farmer by around 5 to 6%. However, long term benefits are expected to be good. Some of the other major challenges, threats, risks and concerns for all markets more particularly India are listed briefly below:

- Dependency on monsoons and vagaries of climate continues to be a major risk factor for agriculture and hence to Crop Protection;
- The demand for pesticides in India is seasonal as crops are mainly sown in two cropping seasons, namely Kharif (July - November) and Rabi (October - February). The demand is skewed in favour of kharif crops with about 60 to 70% of annual pesticide consumption.
- With the raised public awareness about the ill effects of pesticide misuse, on human health and environment, the creation of perception that Pesticides are harmful by NGOs and Others is gaining momentum.
- Excessive and non judicious usage of pesticides by the farmers.
- Poor response by the Governmental agencies/ departments in controlling spurious pesticides and inadequate education to the farmers to consume the right quantities of pesticides. Research and Development (R&D) spending focus is more on application and not on basic research.
- The Industry requires high working capital investment due to high Inventory and long credit period. The leading multinational Companies in the Agrochemical space, are opting for merger & acquisition as strategic initiatives for driving growth viz Dow Chemical with DuPont; Chinese state-owned China National Chemical Corp purchase of Syngenta and Adama; Bayer Monsanto, and FMC's acquisition of Cheminova are the main ones. These moves have left many farmers and consumers uneasy about the global implications and its impact on the prices and focus on innovation in this space.

Internal Control System:

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

Financial Performance: (Consolidated)

For the year 2016-17, the total Income at Rs.852.29 Crores (including excise duty) reflecting an increase of 5.32% over the year. Despite the adverse conditions, your Company's performance is showing growth in EBIT as well as Cash Profit during the reporting period. The EBIT and Cash Profit stood at Rs.49.31 Crores and Rs.39.81 Crores (before exceptional items) respectively compared to Rs.47.73 Crores and Rs.37.47 Crores last year reporting an increase in EBIT and Cash Profit of 3.29% and 6.25% respectively.

The financial performance of your Company during 2016-17 on major parameters was as under:

Parameters	**2016-17**	2015-16
EBIDTA (as % of net Sales)	**10.70%**	10.49%
Profi t before depreciation & tax (as % of net sales)	**8.70%**	5.28%
Return on Capital Employed	**12.07%**	12.66%
Return on Net Worth	**16.17%**	5.24%
Earnings per share (FV Re.1/-)	**2.38**	0.62
Book value per share	**14.29**	11.91

Industrial Relations and Human Resources Development:

The number of employees in the Company as on the 31st March, 2017 was 1161. The Company enjoys cordial and harmonious industrial relations. Training programs and various initiatives are being taken to create an environment to enhance individual and team performance.

Cautionary Statement:

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

For and on behalf of the Board

N.Vijayraghavan	**V.Vijay Shankar**
Director	Managing Director
(DIN: 02491073)	(DIN:00015366)

Place : Hyderabad
Dated : 27th May, 2017

REPORT ON CORPORATE GOVERNANCE

A. CORPORATE GOVERNANCE:

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

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

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

B. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

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

Date of Report:

The information provided in the Corporate Governance Report for the purpose of unanimity is as on 31st March, 2017. The report is updated as on the date of the report wherever applicable.

The Governance Structure:

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

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

C. BOARD OF DIRECTORS:

1) **Pecuniary Relationship:**

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

2) **Composition of the Board:**

   The present strength of the Board of Directors is seven(7).

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

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

The Company has not entered into any materially significant transactions with its Promoters, Directors, Management or Relatives etc., which could have a potential conflict of interest with the Company. The composition of the Board also complies with the provisions of the Companies Act, 2013,("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations"). The Details of the composition of the existing Board of Directors as on 31st March,2017 are given below:

a) Composition of Board: The Company's Board of Directors comprises 7 (seven) Directors, of which one Director is a Executive Director (Managing Director) and balance six are Non-Executive Directors of whom three are Independent Directors.

b) Number of Board Meetings held during the year and the dates of the Board Meetings. During the year 2016-17, the Board met four (4) times i.e., on 21st May, 2016; 06th August, 2016; 05th November, 2016, and 03rd February, 2017.

c) The maximum time gap between any two of the Board Meetings was not more than 120 (One Hundred and Twenty) days.

d) Attendance of each Director at Board Meetings and the last Annual General Meeting

Sl. No.	Name of the Director	Position of Director	Category of Directorship	Number of Board meeting held	No. of Board Meeting Attended	Attendance at the AGM held on 19th September, 2016.
1)	Mr.D.Ranga Raju	Chairman	Non-Executive-Independent	4	2	Yes
2)	Mr.K.S.Raju #	Director	Non-Executive Non-Independent	4	3	Yes
3)	Mr.K.Raghuraman	Director	Independent Non-Executive,	4	4	No
4)	Mrs.K.Lakshmi Raju	Director	Non-Executive, Non-Independent	4	3	No
5)	Mr.Sudhakar Kudva	Director	Non-Executive, Non-Independent	4	4	Yes
6)	Mr.N.Vijayaraghavan	Director	Non-Executive, Non-Independent	4	3	Yes
7)	Mr.Raghavender Mateti	Director	Non-Executive, Independent	4	4	Yes
8)	Mr.V.Vijay Shankar	Managing Director	Executive	4	4	Yes

Resigned from the Directorship of the Board with effect from 03rd February,-2017.

As at the end of financial year 2017, the total Board strength comprises of the following:

Category of Directorship	
Non-Executive–Independent Directors (including Chairman)	3
Non-Executive-Non-Independent Directors	3
Executive Director – Managing Director	1
Total Strength	**7**

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the Companies Act, 2013. All the Non-Executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders.

None of the Directors on the Board is member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he/ she is a Director as specified in Regulation 26 of the Listing Regulations. The necessary disclosures regarding Committee positions in other public Companies have been made by all the Directors. None of the Directors holds office in more than 20 Companies and in more than 10 public Companies. None of the Independent Directors of the Company are serving as an Independent Director in more than 7(seven) Listed Entities.

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

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

***** Resigned from the Directorship of the Board with effect from 03rd February, 2017.

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

D. INFORMATION TO THE BOARD:

During the year, the Board of Directors of the Company had been furnished with the following information (including, but not limited to the following) to enable the Directors to contribute in the decision making process along with the minimum information to be placed before the Board of the Director of the Company as per Regulation 17(7) read with Part A of Schedule II of theListing Regulations.

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

E. COMMITTEES OF THE BOARD OF DIRECTORS:

The Board of Directors, has constituted the following Committees with appropriate delegation of powers:

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

Mr.K.S.Raju chairs the Stakeholder Relationship Committee meetings, up to 03rd February, 2017, the date on which he has resigned from the Board of Directors of the Company. The other members of the Committee are Mr.N.Vijayaraghavan, Mr.V.Vijay Shankar and Mr.Sudhakar Kudva.The quorum of the Committee is 2 members.

The terms of reference of Stakeholders Relationship Committee inter-alia includes approving and monitoring transfers, transmission, dematerialization/re-materialization of shares, issue of duplicate share certificates, splitting and consolidation of shares issued by the Company.The Committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of Annual Report, Dividend etc.,

The Committee met Nine (9) times during the year.

The power to process dematerialization requests has also been delegated to the Executives of the Share Transfer Agents of the Company to avoid delays. All the share transfer applications received up to 31st March, 2017 have been processed.The details of share transfers are reported to the Board of Directors.

Further, no penalties or strictures were imposed on the Company by any of the Stock Exchanges,SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.The Company during the period year from 01st April, 2016 to 31st March, 2017 received 03 complaints from the investors and the same were resolved and there were no balance investor's complaints pending/unresolved as on 31st March, 2017.

The details of attendance of members of the Stakeholder Relationship Committee Meetings are as follows:

Name of the Member	Status	No. of meetings	
		Held	Attended
Mr. K.S.Raju **	*Chairman	9	8
Mr. Sudhakar Kudva	Member	9	9
Mr. N.Vijayaraghavan	Member	9	4
Mr. V.Vijay Shankar	Member	9	7

** Ceased to be a member of the committee with effect from 03rd February, 2017.

2) Audit Committee:

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

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

The terms of reference of the Audit Committee are in accordance with Regulation 18 read with Part C of Schedule II of the Listing Regulations and inter-alia includes the following:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

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

c) Approval of payment to Statutory Auditors for any other services rendered by them.

d) Reviewing with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:

   i) Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

   ii) Changes, if any, in accounting policies and practices and reasons for the same.

   iii) Major accounting entries involving estimates based on the exercise of judgment by management.

   iv) Significant adjustments made in the financial statements arising out of audit findings.

   v) Compliance with listing and other legal requirements relating to financial statements.

   vi) Disclosure of related party transactions.

   vii) Modified opinion(s) in the draft audit report.

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

f) Reviewing and monitoring the auditors independence, and performance and effectiveness of the audit report.

g) Approval or any subsequent modification of transactions of the Company with related parties;

h) Scrutiny of inter-corporate loans and investments;

i) Valuation of undertakings or assets of the Company, wherever it is necessary;

j) Evaluation of internal financial controls and risk management systems;

k) Reviewing with the Management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems.

l) 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.

m) Discussion with Internal Auditors any significant findings and follow-up thereon.

n) 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.

o) 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.

p) To review the functioning of the Whistle Blower mechanism.

q) Approval of appointment of Chief Financial Officer after assessing the qualification, experience and background, etc of the candidates.

r) Carrying out any other function as is mentioned in the 'Terms of Reference' of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

i) Management discussion and analysis of financial condition and results of operations;

ii) Statement of significant related party transactions, submitted by management;

iii) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;

iv) Internal audit reports relating to internal control weaknesses; and

v) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to the review of the Audit Committee.

vi) Statements of deviations:

a). quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

b). annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee has met four(4) times during the period under review and the Meetings were held on 21st May, 2016; 06th August, 2016; 05th November, 2016, 03rd February, 2017.

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

Name of the Member	Status	No. of meetings	
		Held	Attended
Mr.D.Ranga Raju	Chairman	4	1
Mr. Sudhakar Kudva	Member	4	4
Mr. K.Raghuraman	Member	4	4
Mr. Raghavender Mateti	Member	4	4

3) Banking Committee:

Mr.K.S.Raju chairs the Banking Committee meetings up to 03rd February, 2017, the date on which he has resigned from the Board of Directors of the Company. Other members of the Committee are Mr.Sudhakar Kudva, Mr.N.Vijayaraghavan and Mr.V.Vijay Shankar. The quorum of the Committee is 2 members.

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

a) To open new Accounts with any Bank and approve the list of persons authorised to operate such accounts and to make such changes as may be necessary from time to time.

b) To approve availment of working capital facilities/credit facilities by the Company and creation of the charge on the assets of the Company thereto, subject that such credit facilities so availed along with the existing credit facilities shall not exceed the limits as approved by the Board from time to time.

c) To approve the creation of charge/mortgage by deposit of title deeds or otherwise on the assets of the Company for availing the aforesaid credit facilities from time to time.

d) To sub-delegate to Managing Director or any other Director/Executives of the Company to execute various documents including but not limited to loan documents, charge documents etc. and to exercise any of the powers delegated by Board to this Committee and to do all such acts, deeds and things as may be necessary.

e) To authorize to deal/open/operate/closures of various bank accounts of the Company/banking transactions and related matters.

f) To authorise persons to sign necessary documents and for affixation of Common Seal and matters incidental thereto, for availing of such credit facilities.

During the year the Committee met seven (7) times.

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

Name of the Member	Status	No. of meetings	
		Held	Attended
Mr.K.S.Raju *	Chairman*	7	4
Mr.Sudhakar Kudva	Member	7	4
Mr.N.Vijayaraghavan	Member	7	6
Mr.V.Vijay Shankar	Member	7	7

* Ceased to be a member of the committee with effect from 03rd February, 2017.

4) Nomination and Remuneration Committee:

Mr.K.Raghuraman chairs the Nomination and Remuneration Committee meetings.The other members of Committee are Mr.D.Ranga Raju, Mr.Raghavender Mateti and Mr.K.S.Raju (who ceased to be member of the Committee with effect from 03rd February, 2017).

The quorum of the Committee is 2 members.

The functioning and terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 and other applicable provisions of Companies Act, 2013, Rules made thereunder and Regulation 19 read with Para A Part D of Schedule II of the Listing Regulations. It determines the Company's policy on all elements of the remuneration packages of the Directors including the Executive Directors.

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

The terms of reference of the Nomination and Remuneration Committee inter-alia includes the following:

a) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carryout evaluation of every Director's performance.

b) Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board of Directors a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

c) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

d) Devising a policy on diversity of Board of Directors.

e) Make recommendations regarding the composition of the Board, identify Independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.

f) Evaluate and approve the appointment and remuneration of senior Executives, including the Key Managerial Personnel, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits.

g) Review and recommend to the Board the remuneration and commission to the Managing and Executive Directors and define the principles, guidelines and process for determining the payment of commission to Non-Executiv Directors and Independent Directors of the Company.

The Nomination and Remuneration Committee had met three (3) time during the period under review and the meeting was held on 21st May, 2016; 6th August, 2016 and 3rd February, 2017.

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

Name of the Member	Status	No. of meetings	
		Held	Attended
Mr.K.Raghuraman	Chairman	3	3
Mr.K.S.Raju *	Member*	3	3
Mr.D.Ranga Raju	Member	3	-
Mr.Raghavender Mateti	Member	3	3

* Ceased to be a member of the committee with effect from 03rd February, 2017.

Nomination and Remuneration Policy:

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

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

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

5) Corporate Social Responsibility (CSR) Committee:

Mr.D.Ranga Raju, is the Chairman of the Corporate Social Responsibility Committee. The other members of the Committee are Mr. Sudhakar Kudva; Mr.V.Vijay Shankar and Mr.N.Vijayaraghavan.

The quorum of the CSR Committee is 2 members.

No meeting of the Committee was conducted during the financial year 2016-17, as the Company did not have any obligation to make any contribution to CSR activities during the year, owing to absence of profits computed in accordance with Section 198 and other applicable provisions of the Companies Act, 2013.

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

a) To formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013;

b) To oversee the implementation of those activities, monitor the implementation of the framework of the CSR Policy and also report to the Board from time to time. It shall be ensured that the Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy;

c) The Committee shall monitor the implementation report from the Organizations receiving funds. In this regard, the Committee may delegate designated Company official(s) to co-ordinate with the Organization receiving funds to inspect the activities undertaking and ensure information in a timely manner;

d) To sub-delegate/empower the Managing Director or any of the Executives of the Company authorized by him to spend such amounts as they think appropriate for some other strategic CSR contingencies that may arise during any financial year. The amount so spent shall be put for ratification of the Committee at its next meeting and shall be reported to the Board accordingly.

e) To recommend the amount to be spent on the CSR activities.

f) To attend to such other matters and functions as may be prescribed from time to time.

6) Risk Management Committee:

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

The Risk Management Committee met one (1) time during the period under review and the meeting was held on 13th May, 2016.

The details of attendance of members of the Risk Management Committee are as follows:

Name of the Member	Status	No. of meetings	
		Held	Attended
Mr.Sudhakar Kudva	Chairman	1	1
Mr.N.Vijayaraghavan	Member	1	-
Mr.V.Vijay Shankar	Member	1	1
Mr.Harish Chandra Bijlwan	Member	1	1
Mr.R.K.S. Prasad	Member	1	1

The functioning and terms of reference of the Risk Management Committee are in accordance with the provisions of Section 134(3)(n) and 177(4)(vii) and other applicable provisions of Companies Act, 2013 and Rules made thereunder. The Company has duly framed the Risk Management Policy and laid down procedures to inform the Board members about the identification of elements of risk and minimization procedures.

F. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 21st May, 2016 as required under Schedule IV to the Companies Act, 2013

(Code for Independent Directors) and Regulation 25 of the Listing Regulations, Mr.K.Raghuraman and Mr. Raghavender Mateti attended the Meeting of Independent Directors.

As required by the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 the Independent Directors met and reviewed inter-alia,

1) the performance of Non-Independent Directors and the Board of Directors as a whole;

2) the performance of the Chairperson of the Company, taking into account the views of Executive, Non-Executive Directors, and

3) assessed the quality, quantity and timeliness of flow of information between the Company management that is necessary for the Board to effectively and reasonably perform their duties., and presented their observations to the Board of Directors.

G. REMUNERATION TO DIRECTORS:

The Non-Executive Directors of the Company are paid sitting fees for attending the meetings of the Board of Directors/ Committees of Board of Directors.

(a) The details of sitting fees paid to the Non-Executive Directors of the Company during the year from 1st April, 2016 to 31st March, 2017 are given below:

Name of the Director	Sitting fees paid for attending meetings of the Board of Directors/ Committees of Directors.
Mr.D.Ranga Raju	Rs.30,000
Mr.K.S.Raju	Rs.90,000
Mrs.K.Lakshmi Raju	Rs.45,000
Mr.Sudhakar Kudva	Rs.1,20,000
Mr.N.Vijayaraghavan	Rs.45,000
Mr.K.Raghuraman	Rs.1,80,000
Mr.Raghavender Mateti	Rs.1,80,000

(b) Details of Remuneration paid to Mr.V.Vijay Shankar, Managing Director for the financial year ended 31st March, 2017 is mentioned hereunder :

Components	Amount (Rs. in lakhs) *
Salary	73.74
Perquisites and other benefits including Stock Options	2.91
Contribution to provident fund	4.03
Total	**80.68**

(c) The consultancy fees paid to Mr.N.Vijayaraghavan for the financial year ended 31st March, 2017 is Rs.28.80 lakhs.

H. PERFORMANCE EVALUATION OF BOARD:

Pursuant to applicable provisions of the Act, and Listing Regulations. the Board has formulated Policy on Performance Evaluation of Directors which inter-alia covers, the criteria for evaluation of its own performance, performance of the Directors including Independent, Executive and Non-Executive Directors as well as the evaluation of its Committees, and Chairperson of the Board. The criteria described in the said policy inter-alia includes Qualifications, meeting the independence criteria, observing ethical standards, integrity, exercise of responsibilities, safeguarding interest of all stakeholders, skills and knowledge updation, adhering to Company's Code of conduct, regular attendance and active participation at the meetings of the Company, maintaining confidentiality, transparency, assistance in implementing best corporate governance practices, absence of conflict of interest with business of the Company, etc.

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

The Board of Directors has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is uploaded on the website of the Company i.e., www.nagarjunaagrichem.com. All

the Board members and Senior Management Personnel have confirmed compliance with the code for the year under review. A declaration signed by the Managing Director pursuant to Regulation 34(3) of the Listing Regulations. forms part of this Annual Report.

J. CODE OF CONDUCT OF INDEPENDENT DIRECTORS:

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

K. GENERAL BODY MEETINGS:

1) Details of last three Annual General Meetings:

Financial year	Date	Time	Place of venue
2013-14	09-08-2014	10.00 a.m	Surana Udyog Auditorium, Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, Red Hills, Hyderabad-500004, TS India.
2014-15	28-09-2015	10.00 a.m	Surana Udyog Auditorium, Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, Red Hills, Hyderabad-500004, TS India.
2015-16	19-09-2016	10.00 a.m	Surana Udyog Auditorium, Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry, Red Hills, Hyderabad-500004, TS India.

2) No Extra-ordinary General Meeting(s) were held and No Postal Ballot Notices are issued to the public during the year ended 31st March, 2017.

3) All the Resolutions including the Special Resolution were passed through e-voting, physical ballot by post (except for the FY 2015-16 AGM) and poling process conducted at Annual General Meeting in compliance with the provisions of the Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014.

4) During the year under review, no special resolution was passed through postal ballot.

L. DISCLOSURES:

a) Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with the Promoters, Directors, Key Managerial Personnel or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large is not included in the report, as there were no such transaction entered into by the Company during the financial year ended 31st March, 2017.

b) Details of related party transactions have been disclosed under the concerned note or Schedule in the financial statements. There are no transactions which may have potential conflict with the interests of the Company at large.

c) There has been no instance of non-compliance penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authorities, on any matter related to capital markets during the last three years.

d) Shareholding of Non-Executive Directors in the Company: Mrs.K.Lakshmi Raju holds 3018360 shares.

e) As required under the provisions of Companies Act, 2013 and Regulation 46 of the Listing Regulations, the mandatory disclosure of relevant policies i.e., CSR Policy, Nomination and Remuneration Policy, Related Party Transactions Policy, Risk Management Policy, Whistle Blower Policy, Policy for determining materiality of event and Information, Policy on preservation and Archival of Documents and Policy on Evaluation of Boards' Performance are mentioned briefly in the Board's Report, in this Report and/or posted on Company's website (www.nagarjunaagrichem.com).

f) A statement of compliance with all laws and Regulations as certified by the Managing Director is placed at periodic intervals for review by the Board of Directors of the Company.

g) **Subsidiary Companies:** The Company has two unlisted (Indian and Overseas) subsidiaries. An Executive Director and an Independent Director of the Company are the Directors of Indian subsidiary. Two Executives (SMPs) of the Company are on the Board of Overseas subsidiary. The Audit Committee of the Company reviews the financial statements of the subsidiaries.

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

The Company has complied with all the mandatory requirements of the earlier Clause 49 of the Listing Agreement (prior to 1st December, 2015) and the new Listing Regulations.

i) **Details about familiarization programme:**

Senior management personnel of the Company make presentations to the Board members on a periodical basis, briefing the Board / Committee on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations, its subsidiaries, occurrence of any material events in the Company and is also informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Whistle blower policy, Risk Management Policy, Corporate Social Responsibility, Policy on Preservation and Archival of Documents, and Policy on Materiality of Events and Information. The Company familiarizes all the Independent Directors through various programmes about the listed entity, including:

i) nature of the industry in which the listed entity operates;

ii) business model of the listed entity;

iii) roles, rights, responsibilities of Independent Directors; and

iv) any other relevant information, as per the familiarization programme of the Company.

Necessary presentations are made to the Board of Directors and Audit Committee with regard to provisions of Act, the new Listing Regulations. and other amendments, notifications, circulars issued by MCA or the Securities and Exchange Board of India, affecting the Company and its impact on the Company.

The Company places information required to be placed before the Board of Directors of the Company as per Part - A of Schedule II of the Listing Regulations.

M. FIXED DEPOSITS:

During the period under review, the Company has not accepted any fixed deposits in terms of Section 73 and other applicable provisons of the Act.

N. UNCLAIMED DIVIDEND:

In accordance with the provisions of Section 124 of the Act, the amount of dividend remaining unpaid/un-claimed for a period of seven years are required to be transferred by the Company to Investors Education and Protection Fund established by the Central Government. Members are requested to correspond with the Registrar and Share Transfer Agent M/s. XL Softech Systems Limited, Hyderabad for encashing the unclaimed dividend if any, standing to their credit.

No claim shall be made against the said fund or against the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims after the period of said seven years.

Details of unclaimed dividend amount credited to the IEPF during the year 2016-17 are as follows:

Sl. No	Financial Year(s) to which unclaimed dividend amount relates to	Amount	Date by which amount credited to IEPF account
1	2008-09 (Final)	Rs.13,32,603/-	07.09.2016
2	2009-10 (Interim)	Rs.7,75,742/-	08.12.2016

O. PARTICULARS OF INFORMATION REGARDING NAGARJUNA AGRICHEM LIMITED EQUITY SHARES SUSPENSE ACCOUNT POSITION:

As per the Regulation 39(4) read with Schedule V & VI of Listing Regulations, all physical shares remaining unclaimed by the shareholders, were required to be dematerialized by the Company and kept in the “Unclaimed Suspense Account” to be opened and operated by the Company/Committee for this purpose. As per the requirements of the amended clause, the Company had sent three reminders to the respective shareholders. The shares in respect of which no valid response has been received, the Company opened a separate demat account with Stock Holding Corporation (India) Ltd, Hyderabad in the name and style of “Nagarjuna Agrichem Limited Unclaimed Suspense Account” in the month of July, 2013.

The Board has delegated the power to Mr. V.Vijay Shankar, Managing Director and Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal of the Company to approve such share transfers of the equity shares of the investors from the Unclaimed Suspense Account to the members demat account upon necessary requests from the original investor(s) and after duly confirmed by the RTA of the Company. A statement of the shares remaining outstanding in the Unclaimed Suspense Account as on 31st March, 2017 is given below:

Sl. No	Particulars	No. of shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	1,250	17,34,608
2.	No. of shareholders who approached for transfer of shares from the unclaimed suspense account during the year	7	25,497
3.	No. of shareholders/folios holding shares were treat as unclaimed (in spite of several reminders mailed to them) transferred to unclaimed suspense account during the period.	-	-
4.	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year.	1,243	17,09,111

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

P. MEANS OF COMMUNICATION:

The quarterly / half yearly un-audited and annual audited financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board of Directors. The results were published in Business Standard, Financial Express in English and Andhra Prabha in Telugu (regional language). The results are posted on the Company's website (www.nagarjunaagrichem.com) and are sent to the BSE Limited (Stock Exchange where the Company's share are listed) wherein the same is posted on their website www.bseindia.com.

Q. COMPLIANCE OF INSIDER TRADING NORMS:

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

R. NAME AND DESIGNATION OF THE CHIEF COMPLIANCE OFFICER:

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

S. GENERAL INFORMATION:

1.	Date, time and venue of Annual General Meeting	:	05th August, 2017, at 3.00 p.m.at Katriya Hotel, No.8, Raj Bhavan Road, Somajiguda, Hyderabad-500082, Telangana, India.
2.	Financial calendar (tentative subject to change)	:	Annual General Meeting - 05th August, 2017.
		:	Results for the Qtr June 2017 - 05th August, 2017.
		:	Results for the Qtr Sept' 2017 - 01st Week of November, 2017;
		:	Results for the Qtr Dec' 2017 - 01st Week of February, 2018
		:	Results for the Qtr Mar' 2018 - 03rd Week of May, 2018
3.	Date of Book closure (both days inclusive)	:	29th July, 2017 to 05th August, 2017
4.	Cut-Off date	:	28th July, 2017

5.	Dividend	:	The dividend if approved by the members in the ensuing AGM will be paid to those members, whose names appear in the Register of Members on 28th July, 2017 and to those beneficial owners whose names are provided by National Securities Depository Limited (NSDL) and Central Depository Services India) Limited (CDSL) as on 28th July, 2017.
6.	Listing on Stock Exchange	:	BSE Limited, P.J.Towers, Dalal Street, Mumbai-400001.
		:	National Stock Exchange (India)Ltd., Bandra-Kurla Complex, Bandra (E), Mumbai-400051.
7.	Stock code & Company ID	:	BSE - 524709 NSE - NAGAAGRI
8.	CIN of the Company	:	L24219TG1986PLC016607
9.	Registered Office	:	Plot No.12-A, 'C' Block, Lakshmi Towers, Nagarjuna Hills, Panjagutta, Hyderabad-500082. Telangana State Tel.No.040-33605123/124/125 Fax No.040-23350234 Email id: investors@nagarjunaagrichem.com
10.	Website	:	www.nagarjunaagrichem.com
11.	Communication regarding registration of share transfers and other related correspondence	:	Registers and Share Transfer Agents (RTA): XL Softech Systems Ltd., Plot No. 3, Sagar Society, Road No. 2, Banjara Hills,Hyderabad-500034 Tel. (040) 23545913/14/15, Fax (040) 23553214. Email: xlfiled@gmail.com
			Note: Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.
12.	Share transfer system	:	Shares lodged for physical transfer at the Registrar's address are normally processed within a period of fifteen days from the date of lodging, if the documents are clear in all respects. The shares duly transferred would be dispatched to the concerned share holders within a week from the date of approval of transfers by the Stakeholders Relationship Committee.
13.	Redressal of Grievance	:	There are no investors complaints pending unresolved as on 31st March, 2017. The Complaints regarding transfer of shares, dematerisation/ rematerialisation of shares, non-receipt of Annual Reports, dividend warrants, etc., are being acted upon by the Company immediately on receipt. Shareholders having grievances are requested to write to the company RTA.
14	Note to corporate members	:	Corporate members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

15. Secretarial Audit

Mr.K.V.Chalama Reddy, Practicing Company Secretary has conducted a secretarial audit of the Company for the year 2016-17. The audit report confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Listing Agreement entered with the Stock Exchange, Listing Regulations, and other laws and Regulations applicable to the Company. The said secretarial audit report forms part of the Directors' Report.

16. Nomination facility for shareholding

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

18. Dividend Pattern:

The dividend pattern of the Company is as under

Year	Type	Dividend (%)
2001-2002	Final	8
2002-2003	Final	10
2003-2004	Final	12
2004-2005	Interim	15
2004-2005	Final	7
2005-2006	Final	20
2006-2007	Interim	20
2006-2007	Final	20
2007-2008	Interim-1	10
2007-2008	Interim-2	10
2007-2008	Interim-3	10
2007-2008	Final	15
2008-2009	Interim-1	10
2008-2009	Interim-2	10
2008-2009	Final	30
2009-2010	Interim	20
2009-2010	Final	30
2010-2011	Final	15
2011-2012	Final	15
2012-2013	N.A	Nil
2013-2014	N.A	Nil
2014-2015	Final	10
2015-2016	Final	10

19. Permanent Account Number (PAN):

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

20. Managing Director and Chief Financial Officer (CFO) Certification:

Pursuant to Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board, in the manner required under the Corporate Governance Code concerning the Annual Financial Statement.

21. The Company has not issued any GDRS/ADRS and there are no warrants or any Convertible instruments.

22. Location of Plants:

a. Plot No. 177, Arinama Akkivalasa, Etcherla Mandal, Srikakulam District – 532403, Andhra Pradesh.

b. Nandigaon Village, Kothur Mandal, Mahaboobnagar District, Telangana State.

c. Ethakota, Ravulapalem P.O, East Godavari District – 533238, Andhra Pradesh.

23. Market Price Data: High-Low quotations on BSE Limited, Mumbai during the year 01st April, 2016 to 31st March, 2017 is as follows:

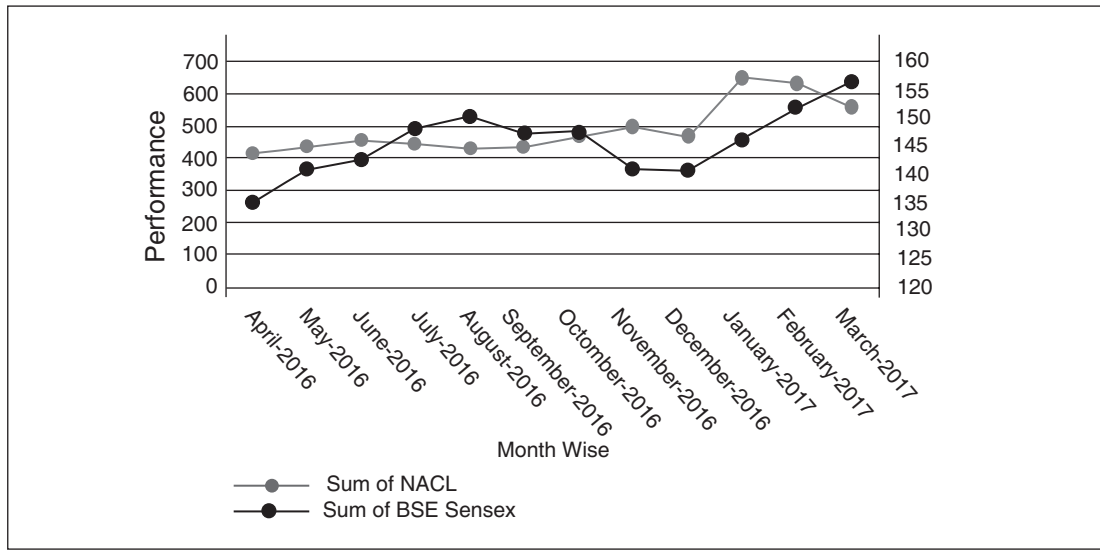
Month	BSE	
	High	Low
April, 2016	22.40	19.50
May, 2016	23.40	19.50
June, 2016	24.50	20.25
July, 2016	24.00	20.20
August, 2016	23.00	20.00
September, 2016	23.50	18.30
October, 2016	25.25	20.70
November, 2016	26.65	16.40
December, 2016	25.00	19.70
January, 2017	34.90	21.75
February, 2017	34.00	27.10
March, 2017	30.00	26.00

24. Performance in comparison to BSE Sensex.

Share Price movement for the period April, 2015 to March, 2016 of the Company and BSE Sensex is given below:

(Amount in Rs.)

Month	NACL Close Price on BSE	Close Price BSE Sensex	Relative Index for Comparison Purpose	
			NACL	BSE Sensex
April, 2016	22.40	25606.62	400.78	129.94
May, 2016	23.40	26667.96	453.41	131.30
June, 2016	24.50	26999.72	473.65	136.74
July, 2016	24.00	28051.86	495.91	138.44
August, 2016	23.00	28452.17	485.79	143.84
September,2016	23.50	27865.96	465.55	145.89
October,2016	25.25	27930.21	475.67	142.88
November,2016	26.65	26652.81	511.10	143.21
December,2016	25.00	26626.46	539.43	136.66
January, 2017	34.90	27655.96	506.04	136.53
February, 2017	34.00	28743.32	706.43	141.81
March, 2017	30.00	29620.50	688.21	147.38



Relative index for comparison purpose BSE Sensex

Relative index for comparison purpose NACL

25. Share Transfer Agent:

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

26. Distribution of Shareholding:

The distribution of shareholding as on 31st March, 2017 was as follows:

Shareholding range	Shareholders		Share Amount	
	Member	In %	In Rs.	In %
001 - 5000	3099	30.06	567322	0.36
50001 - 10000	1213	11.77	1018622	0.65
10001 -20000	4028	39.08	5105383	3.27
20001- 30000	521	5.05	1308969	0.84
30001- 40000	287	2.78	1024370	0.66
40001- 50000	234	2.27	1129484	0.72
50001-100000	477	4.63	3396294	2.18
100001 & above	449	4.36	142593564	91.32
Total	**10308**	**100.00**	**156144008**	**100.00**

	Category	No of shares held	Percentage of shareholding
A	**Promoters Holdings**	**116641860**	74.70
B	**Non-Promoters Holding:**		
I)	**Institutional investors**		
	(a) Mutual funds and UTI	0	0
	(b)Banks, venture capital funds, insurance Companies, Alternate investment funds, Foreign Venture Capital Investors, Provident funds/ Pension Funds.	0	0
	(c) Foreign Portfolio investors	3171124	2.03
	(d) Central Govt./State Govt./President of India.		

Category		No of shares held	Percentage of shareholding
II)	**Others:**		
	(a) Private Corporate Bodies	8025195	5.14
	(b) Indian Public	27492540	17.61
	(c) Directors/Relatives	54996	0.04
	(d) Employees	232500	0.15
	(e) NRIs/OCBs	488687	0.31
	(f) Clearing members	37106	0.02
	(g) Others		
	Sub-total	**39502148**	25.30
	Grand Total	**156144008**	100.00

27. Shares held by Promoters / Non-Executive Directors:

S.No	Name of the Promoters	No. of shares held
1.	KLR Products Limited	11,36,23,500
2.	K.Lakshmi Raju	30,18,360

28. Dematerialization of Shares and Liquidity:

Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. Dematerialization of shares is done through M/s.XL Softech Systems Limited, Hyderabad and on an average the dematerialization process is completed within a period of 21 days from receipt of a valid demat request along with all documents. The break-up of physical and dematerialized shares as on 31st March, 2017:

Mode	No. of shares held	Shareholding %
Demat	150897809	96.64
Physical	5246199	3.36
Total	**156144008**	**100**

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

For and on behalf of the Board

N.Vijayaraghavan
Director
(DIN: 02491073)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place:Hyderabad
Dated:27th May, 2017

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

The Board of Directors of the Company approved the Code of Conduct for the Directors and the Senior Management Personnel. All the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2017.

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 27th May,2017

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO)

[Pursuant to Regulation 17(8) and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, V.Vijay Shankar, Managing Director and R.K.S.Prasad, Chief Financial Officer of Nagarjuna Agrichem Limited, to the best of our knowledge and belief, herewith certify that:

A. We have reviewed the Balance Sheet and Profit & Loss Account of the Company for the quarter and financial year ended 31st March, 2017 and all its schedules and notes on accounts as well as the Cash Flow statements and certify that:

   i) these statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;

   ii) 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.

B. there are no transactions entered into by the Company during the year is fraudulent, illegal or volative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   i. There have been no significant changes in the internal controls over financial reporting during the financial year 2016-17

   ii. There were no significant changes in accounting policies during the year.

   iii. There was no instance of significant fraud, which we have become aware of and that involves management or other employees who have significant role in the Company's internal control systems over financial reporting.

Place : Hyderabad
Date : 27th May,2017

R.K.S.Prasad
Chief Financial Officer

V.Vijay Shankar
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Nagarjuna Agrichem Limited

We have examined the compliance of conditions of Corporate Governance by Nagarjuna Agrichem Limited for the year ended 31st March 2017, as stipulated in Regulation 34(3), Schedule V (para E) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (i.e., "Listing Regulations") of the said Company with Stock Exchange(s).

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

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

The Share Transfer Agent of the Company has certified the number of complaints received from the investors and the number of complaints resolved during the financial year and that there are no complaints pending as at the year end as stated under serial No E(1) 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 Listing Regulations.

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

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

(V. Raghunandan)
Partner
Membership No. 26255

Place : Hyderabad
Date : 27th May,2017

INDEPENDENT AUDITORS' REPORT

To

The Members Nagarjuna Agrichem Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Nagarjuna Agrichem Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone 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 financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone 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 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 88evaluating 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

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

Note No. 35 regarding the insurance claim on fire affected Block-5 of Srikakulam Plant during 30th June, 2012 has been settled and the company received an amount of Rs. 32.44 Crores on 15th December, 2016. The total amount of insurance claim proceeds (including scrap realization) of Rs. 45.65 Crores is credited to the Profit & Loss Account. The company has debited to the Profit & Loss Account Rs. 20.08 Crores being the book value of completely damaged assets, partially damaged assets, damaged inventories. The net amount of Rs. 25.57 Crores is shown under Exceptional Items.

Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors 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 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 all pending litigations on its financial position in its standalone financial statements – refer Note 31 to the standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India except in cases where in disputes relating to ownership of the underlying shared have remained unresolved.
      iv. The Company has provided disclosures in Note 42 in the standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 and December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including those in Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.
2. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(V. Raghunandan)
Partner
Membership No. 26255

Place : Hyderabad
Date : 27th May,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 Agrichem Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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, 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, 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, that receipts and expenditure 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 Number: 000459 S

(V. Raghunandan)
Partner
Membership No. 26255

Place : Hyderabad
Date : 27th May,2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i) According to the information and explanations furnished to us,

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets

(b) The said fixed assets have been physically verified by the management during the year based on a phased programme of verification over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed in respect of the fixed assets verified during the year and the records in respect thereof.

(c) The title deeds of the immovable properties of the Company are held in its name.

ii) According to the information and explanations furnished to us, physical verification of inventories has been conducted during the year by the management. In our opinion, the frequency of the verification is reasonable. Further, the discrepancies found during such verification were not material and the same have been properly dealt with in the books of the Company.

iii) According to the information and explanations furnished to us, the Company has granted an unsecured loan to its Associate Company covered in the register maintained under Section 189 of the Companies Act 2013, in respect of which, in our opinion,

(a) The terms and conditions of the grant of such loan are not prejudicial to the Company's interest.

(b) The repayment of the loan and the payment of interest thereon have not been regular in terms of the stipulated schedule in respect thereof

(c) Principal amount of Rs. 167 Lakhs and interest of Rs. 109.24 Lakhs was overdue for more than 90 days as at the date of the Balance Sheet

(d) The Company has been taking reasonable steps for recovery of such overdue principal and interest.

iv) According to the information and explanations furnished to us, the company has not made any loans to which the provisions of Sections 185 and 186 of the Act apply, except a loan made by the company to its associate company in respect of which in our opinion, the provisions of Sec 186 of the Act to the extent applicable, have been complied with.

v) According to the information and explanations furnished to us, the company has not accepted any deposits covered by sections 73 to 76 of the Companies Act 2013 and the rules framed there under.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records prescribed under Section 148(1) of the Companies Act 2013, are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii)(a) According to the information and explanations furnished to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Customs duty, Excise Duty, Value Added Tax, Cess and other applicable statutory dues with the appropriate authorities; there were no arrears of such statutory dues as at 31st March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations furnished to us, there are no dues of Income Tax, Wealth Tax, Value Added Tax, Customs duty, Service Tax, Excise duty or Cess, which have not been deposited on account of any dispute pending except the following:

Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Demand (Rs. In Lakhs)	Amount paid under protest (Rs. In Lakhs)	Dues-Net of amount paid under protest (Rs. In Lakhs)
Finance Act, 1994	Service Tax(including interest & penalty)	Commissioner (Appeals), Visakhapatnam	2011-12 2012-13 2013-14 2014-15 2015-16	52.26	3.52	48.74
		CESTAT, Bangalore	2010-11	4.17	-	4.17

Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Demand (Rs. In Lakhs)	Amount paid under protest (Rs. In Lakhs)	Dues-Net of amount paid under protest (Rs. In Lakhs)
Central Excise Act,1994	Excise duty (including interest And penalty)	Andhra Pradesh Honourable High Court	2004-05 2006-07 2007-08	8.13	-	8.13
		Additional Commissioner(Appeals) Visakhapatnam	2006-07	27.00	14.86	12.14

(c) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.

(d) According to the information and explanations given to us, the working capital term loans raised by the Company have been applied for the purpose for which they were raised.

(e) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(f) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(g) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under paragraph 3(xii) of the Order does not arise.

(h) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(i) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(j) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, reporting under paragraph 3 (xv) of the Order does not arise.

(k) According to the information and explanations furnished to us, 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 Number: 000459 S

(V. Raghunandan)
Partner
Membership No. 26255

Place : Hyderabad
Date : 27th May,2017

BALANCE SHEET AS AT 31st MARCH, 2017

Rs. in Lakhs

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share Capital	3	**1,561.44**	1,559.12
Reserves and surplus	4	**20,431.68**	16,775.78
		21,993.12	18,334.90
2 Non-current liabilities			
Long-term borrowings	5	**3,007.76**	3,554.91
Deferred tax liabilities (net)	6	**2,185.83**	1,800.89
Other long term liabilities	7	**1,303.93**	1,359.73
Long-term provisions	8	**265.88**	202.36
		6,763.40	6,917.89
3 Current liabilities			
Short-term borrowings	9	**16,761.23**	18,030.11
Trade payables	10		
MSMED		**-**	-
Others		**13,503.55**	10,688.07
Other current liabilities	11	**4,721.61**	4,398.06
Short-term provisions	12	**2,074.35**	2,515.03
		37,060.74	35,631.27
TOTAL		**65,817.26**	60,884.06
II. ASSETS			
1 Non-current assets			
Fixed assets			
(i) Tangible assets	13	**13,568.49**	16,003.04
(ii) Intangible assets	14	**651.82**	667.24
(iii) Capital work-in-progress	15	**281.23**	233.21
(iv) Intangible assets under development		**405.11**	338.92
Non-current investments	16	**1,024.14**	1,017.64
Long-term loans and advances	17	**531.84**	1,030.67
		16,462.63	19,290.72
2 Current assets			
Inventories	18	**21,172.89**	18,314.49
Trade receivables	19	**23,611.87**	18,827.07
Cash and cash equivalents	20	**801.51**	1,361.21
Short-term loans and advances	21	**3,610.20**	2,356.69
Other current assets	22	**158.16**	733.88
		49,354.63	41,593.34
TOTAL		**65,817.26**	60,884.06
Significant Accounting Policies and notes on Financial Statements	1 to 45		

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants
Firm Regn No: 000459S

For and on behalf of the board

V.Raghunandan
Partner
(Membership No.026255)

N.Vijayaraghavan
Director
(DIN:02491073)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place: Hyderabad
Date: 27th May, 2017

R.K.S.Prasad
Chief Financial Officer
(FCA 024958)

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS 9085)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Rs. in Lakhs

	Particulars	Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
I.	Sales/Revenue from operations	23	**83,481.42**	77,396.02
II.	Other income	24	**1,685.13**	1,855.80
III.	**Total revenue (I + II)**		**85,166.55**	79,251.82
IV.	Expenses:			
	Cost of materials consumed	25	**43,539.51**	39,652.84
	Purchase of stock in trade		**4,055.65**	3,432.79
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	26	**(2,173.52)**	692.99
	Excise Duty		**10,062.09**	8,255.56
	Employee benefits expense	27	**6,244.19**	5,515.63
	Finance costs	28	**3,773.10**	3,702.96
	Depreciation and amortization expenses	29	**2,823.35**	2,676.22
	Other expenses	30	**15,674.51**	14,237.04
	Total expenses		**83,998.88**	78,166.03
V.	**Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)**		**1,167.67**	1,085.79
VI.	Exceptional items	35	**(2,557.04)**	-
VII.	**Profit/(Loss) before extraordinary items and tax (V - VI)**		**3,724.71**	1,085.79
VIII.	Extraordinary items		**-**	
IX.	**Profit/(Loss) before tax (VII- VIII)**		**3,724.71**	1,085.79
X	**Taxes on Income**			
a	MAT Credit Entitlment		**(1,094.98)**	-
b	Taxes expense:			
	(1) Current tax		**816.21**	235.00
	(2) Deferred tax		**384.94**	(46.80)
XI	**Profit /(Loss) for the period (IX + X)**		**3,618.54**	897.59
XII	**Earnings per equity share:**			
	(1) Basic		**2.32**	0.58
	(2) Diluted		**2.31**	0.58

Significant Accounting Policies and notes on Financial Statements 1 to 45

As per our report of even date attached

For **M.BHASKARA RAO & CO.,**
Chartered Accountants
Firm Regn No: 000459S

For and on behalf of the board

V.Raghunandan
Partner
(Membership No.026255)

N.Vijayaraghavan
Director
(DIN:02491073)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place: Hyderabad
Date: 27th May, 2017

R.K.S.Prasad
Chief Financial Officer
(FCA 024958)

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS 9085)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Rs. in Lakhs

Particulars	For the Year ended 31st March 2017		For the Year ended 31st March 2016	
	Amount	**Amount**	Amount	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	**3,724.71**	**3,724.71**	1,085.79	1,085.79
Extraordinary items	**-**	**-**	-	-
Adjustments for:				
Add:				
Depreciation & Amortisation Expenses	**2,823.35**		2,676.22	
Foreign Exchange Fluctuations-Unrealised Loss			334.21	
Loss on Sale/Discarded of Fixed Assets	**130.15**		26.20	
Interest	**3,773.10**		3,702.96	
MAT Credit Entitlement	**1,094.98**			
Less:		**7,821.58**		6,739.59
Foreign Exchange Fluctuations-Unrealised Profit	**50.38**		-	
Profit on sale of Assets	**6.19**		13.14	
		56.57		13.14
Operating profit before working capital changes		**11,489.72**		7,812.24
Adjustments for:				
Less:				
Increase in Trade Receivables	**4,874.50**		-	
Increase in Inventories	**2,858.40**		-	
Increase in Other Current Assets			-	
Increase in Short Term Loans & Advances	**1,253.51**		15.19	
Decrease in Trade Payable			5,923.71	
Decrease in Other Current Liabilities & Short Term Provisions			1,210.91	
		8,986.41		7,149.81
		2,503.31		662.43
Add:				
Increase in Other Current Liabilities & Short Term Provisions	**22.54**		-	
Decrease in Long Term Loans & Advances	**498.83**		171.99	
Decrease in Trade Receivables			3,223.76	
Decrease in Inventories			327.72	
Increase in Long term Liabilities & Provisions	**7.72**		163.02	
Increase in Trade Payable	**2,955.57**		-	
Decrease in Other Current Assets	**575.72**		291.84	
Cash generated from operations		**4,060.38**		4,178.33
		6,563.69		4,840.76
Less:				
Taxes paid	**816.21**	**816.21**	235.00	235.00
Cash flow before extraordinary items		**5,747.48**		4,605.76
Prior year Taxes (Net)				-
NET CASH FROM OPERATING ACTIVITIES		**5,747.48**		4,605.76

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Rs. in Lakhs

Particulars		For the Year ended 31st March 2017		For the Year ended 31st March 2016	
		Amount	**Amount**	Amount	Amount
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Inflow:				
	Sale/Retirement of Fixed Assets	**551.85**		162.82	
	Capital Work in progress		**551.85**	-	162.82
	Outflow:			-	
	Investments	**6.51**		10.31	
	Purchase of Fixed Assets	**1,163.40**		1,337.96	
	Discarding of Assets	**-**		-	
			1,169.91		1,348.27
	NET CASH USED IN INVESTING ACTIVITIES		**(618.06)**		(1,185.45)
C.	**CASH FLOW FROM FINANCEING ACTIVITIES**				
	Proceeds from Long Term / Short Term Borrowings:				
	In flow:				
	Long Term Borrowings	**800.00**		2,219.56	
			800.00		2,219.56
	Outflow:				
	Other Current Liabilities	**78.33**		1,409.17	
	Long Term Borrowings	**1,311.20**			
	Short Term Borrowings	**1,268.29**		319.12	
	Interest Paid	**3,763.61**		3,701.79	
	Deferred Payment Liabilities	**35.96**		65.38	
	Corporate Dividend Tax	**31.74**		31.74	
			6,489.13		5,527.20
	NET CASH USED IN FINANCING ACTIVITIES		**(5,689.13)**		(3,307.64)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLENTS (A+B+C)		**(559.70)**		112.67
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOID		**1,361.21**		1,248.53
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOID		**801.51**		1,361.21

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants
Firm Regn No: 000459S

For and on behalf of the board

V.Raghunandan
Partner
(Membership No.026255)

N.Vijayaraghavan
Director
(DIN:02491073)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place: Hyderabad
Date: 27th May, 2017

R.K.S.Prasad
Chief Financial Officer
(FCA 024958)

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS 9085)

Notes forming part orf the Financial Statements for the year ended 31st March, 2017

1. Corporate Information

NAGARJUNA AGRICHEM LTD, is a Public Limited Company listed with Bombay Stock Exchange. It is part of the Nagarjuna group based at Hyderabad. The Company is in the business of Crop Protection and manufactures both Technicals (Active Ingredient -AI) and Formulations. It manufactures all kinds of pesticides, insecticides, acaricides, herbicides, fungicides and other plant growth chemicals. The Company's Formulation Business is mainly in the Indian Market and sells through its large retail dealer network of nearly 12500 dealers, spread across India. The Company has an impressive range of branded formulations. It also exports Technicals and formulations and does Toll Manufacture for various Multinational Companies.

2. Significant Accounting Policies

A. Accounting Convention:

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

B. Use of Estimates:

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

C. Fixed Assets:

a) Fixed assets are stated at historical cost. (Net of Modvat / Cenvat Credit availed), less accumulated depreciation and impairment loss if any.

b) Capital Work-in-progress is stated at amount expended upto the date of the Balance Sheet.

c) Expenditure during construction work whether relevant other than those directly related to an asset is included under "Expenditure pending allocation" to be allocated to various fixed assets at the time of commencement of commercial production, as determined in accordance with the generally accepted accounting policies.

d) Expenditure incurred on Research & Development projects is considered as Intangible Assets on completion of the project and put into commercial use.

D. Depreciation:

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

Where the cost of a part of an asset is significant to the total cost of that asset and its useful life is determined to be different from the useful life of the remaining asset, depreciation on such part is computed in accordance with its respective useful life.

E. Intangibles:

a) Goodwill is amortised over a period of Ten years.

b) SAP Upgrade License/ Implementation fees is amortised over a period of twenty four months.

c) Intangible assets on account of R&D Projects amortised over a period of 36 months.

F. Long Term Investments:

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

G. Inventory:

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

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

a) Raw materials - at lower of cost and net realizable value.

b) Work-in-process - at cost.

c) Finished goods - at lower of cost and net realisable value. Cost includes cost of direct material, labour, factory overheads inclusive of excise duty.

d) Stores & Spares, Packing material - at lower of cost and net realizable value.

e) Traded goods - at lower of cost and net realizable value.

Cost is ascertained on the "Weighted Average" basis.

H. Foreign Currency Transactions:

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

I. Capital Subsidy:

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

J. Revenue:

a) Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

b) Sales are recognized at the point of despatch of materials to customers from plant and/or stocking points.

c) Revenue from processing/ conversion services is recognized when the underlying goods are manufactured and ready for delivery i.e., on completion of service.

K. Employee benefits:

a) Provident Fund is administered through Regional Provident Fund Commissioner. Company's contributions to the above fund are charged to the Profit & Loss Account, on accrual.

b) Provision for Gratuity is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary. The Gratuity Fund is administered through a scheme of Life Insurance Corporation of India. The contribution to the said fund is charged to the Profit & Loss Account, on accrual.

c) Provision for Leave encashment cost is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary, and is charged to Profit & Loss Account, on accrual.

d) Employee Stock Option Scheme : In respect of the options granted under the Nagarjuna Agrichem Ltd., Employees Stock Options Scheme, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in compliance with the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India, the cost of stock options granted to employees are accounted by the Company using the intrinsic value method and the cost based on excess of market value over the exercise price is recognised in the accounts over the vesting period on time proportion basis.

L. Borrowing Costs:

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

M. Income Taxes :

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

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

N. Impairment of Assets:

Impairment of an asset is reviewed and recognized in the event changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

O. Contingencies:

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

P. Earnings per Share:

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

Q. Segment Reporting:

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

R. Research and Development:

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

Note No. 3: Share Capital Rs. in Lakhs

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
200,000,000 Equity Shares of Rs.1/- each (Previous Year 200,000,000 Equity Shares of Rs.1/-each)	**200,000,000**	**2,000.00**	200,000,000	2,000.00
Issued,Subscribed & Paid up				
156,144,008 Equity Shares of Rs.1/- each (Previous Year 155,911,508 Equity Shares of Rs.1/-each)	**156,144,008**	**1,561.44**	155,911,508	1,559.12
Total	**156,144,008**	**1,561.44**	**155,911,508**	**1,559.12**

a) Reconciliation of Share Capital Rs. in Lakhs

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Share capital at the beginning of the year (Equity Shares of Rs. 1/- each)	**155,911,508**	**1,559.12**	155,911,508	1,559.12
Add : Shares allotted under ESOS-2015 (Equity Shares of Rs. 1/- each)	**232,500**	**2.32**		
Share capital at the end of the year (Equity Shares of Rs. 1/- each)	**156,144,008**	**1,561.44**	155,911,508	1,559.12

b) Rights, Preferences and Restrictions attached to Equity shares

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

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

c) The Board of Directors in the meeting held on 27th May,2017 has recommended a final dividend of Re.0.125 per Equity Share of Re.1 each, subject to the approval of members in the ensuing Annual General Meeting.

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

Particulars	As at 31st March 2017			As at 31st March 2016		
	% of share holding	Number of Shares held	Amount	% of share holding	Number of Shares held	Amount
Share Capital						
KLR Products Limited., Holding Company	**72.77%**	**113,623,500**	**1,136.24**	72.88%	113,623,500	1,136.24

e) Equity Shares reserved for issue under employee stock options outstanding as at the end of the year :

Summary of Stock Option	No. of Stock Options
Options Reserved	11,50,000
Options Outstanding as on 01.04.2016	9,30,000
Options granted during the year	Nil
Options forfeited / lapsed during the year	Nil
Options exercised during the year	2,32,500
Options Outstanding as on 31.03.2017	6,97,500
Options vested but not exercised as on 31.03.2017	Nil

Note No. 4: Reserves & Surplus **Rs. in Lakhs**

Particulars			As at 31st March 2017	As at 31st March 2016
a)	**Capital Reserve**			
	Opening Balance		**20.94**	20.94
	Transfer		**0.00**	0.00
	Utilised		**0.00**	0.00
	Closing Balance	**Sub Total (a)**	**20.94**	20.94
b)	**Securities Premium Account**			
	Opening Balance		**178.54**	178.54
	Add : Securities premium credited on Share issue		**37.36**	0.00
	Closing Balance	**Sub Total (b)**	**215.90**	178.54
c)	**General Reserve**			
	Opening Balance		**4,175.00**	4,175.00
	Add: Transferred from surplus		**0.00**	
	Deductions during the year		**0.00**	0.00
	Closing Balance	**Sub Total (c)**	**4,175.00**	4,175.00
d)	**Surplus**			
	Opening balance		**12,401.30**	11,691.36
	Add: Net Profit/(Net Loss) For the current year		**3,618.54**	897.59
	Amount available for appropriations		**16,019.84**	12,588.95
	Less: Final Dividends		**0.00**	187.65
	Transferred to General Reserve		**0.00**	
	Closing Balance	**Sub Total (d)**	**16,019.84**	12,401.30
	Total (a to d)		**20,431.68**	16,775.78

Note No. 5: Long-term borrowings **Rs. in Lakhs**

Particulars	Non Current		Current	
	As at 31st March 2017	As at 31st March 2016	**As at 31st March 2017**	As at 31st March 2016
Long-term borrowings -				
Secured:				
a) Term loans from (Refer Note No.a to f)				
- Banks (Rupee Loans)	**2,953.35**	3,464.55	**1,504.17**	1,582.50
- Other parties.	**-**	-	**-**	-
Un Secured:				
b) Deferred payment liabilities. (Refer Note No (g))	**54.41**	90.36	**35.96**	75.05
Total	**3,007.76**	3,554.91	**1,540.13**	1,657.55

Notes :

a) Term Loan availed from State Bank of India is secured by way of first charge on fixed assets of the company and second charge on current assets of the company along with other working capital lenders

b) Working Capital Term Loans availed from New India Co-operative Bank Ltd are secured by way of first charge on fixed assets of the company and other movable assets on pari passu basis with other term loan lendors.

c) Term Loan availed from SVC Co-Op Bank Ltd is secured by way of first charge on fixed assets of the company and Second charge on current assets to be shared with other term lenders .

d) Corporate Loan from SVC Co-Operative Bank Ltd. outstanding at Rs.2667 lakhs included in Term Loans from Banks above, is guaranteed by Smt. K.Lakshmi Raju a Director of the company.

e) All Credit facilities extended by State Bank of India are further secured by pledge of Promoter Shareholding equal to 30% of the Company's equity.

f) Terms of Repayment : **Rs. in Lakhs**

Bank / Institution	Terms of repayment			
	Balance principal amount as on 31.03.2017	Number of Instalments	Frequency	Repayment Commencing from
New-India Co-operative Bank Ltd.	**437.50**	8	Quarterly	Jul-16
New-India Co-operative Bank Ltd.	**525.00**	8	Quarterly	Jan-17
New-India Co-operative Bank Ltd.	**750.00**	8	Quarterly	Dec-17
New-India Co-operative Bank Ltd.	**50.00**	8	Quarterly	Mar-18
SVC Co-Op Bank Ltd	**2,666.67**	18	Quarterly	Oct-16
Total	**4,429.17**			

g) Deferred payment liabilities.

Vide Revised order No.10/1/9/0023/0387/ID dated 31.01.2001 the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Acephate and Profenofos for a period of fourteen years commencing from 28.09.1997 for Acephate and from 23.02.2000 for Profenofos subject to a maximum of Rs.1028.55 Lacs. The Sales Tax deferred in a year is payable at the end of 14th year without interest. Since financial year 2006-07 the company has decided not to avail the Sales Tax deferment. First repayment commenced from 25.09.2013 as prescribed in the order. Based on the Sales Tax Returns the sales tax so deferred aggregates to Rs.90.36 Lacs as at the balane sheet date. (Previous Year Rs. 165.41 Lacs).

Note No. 6: Deferred Tax Liabilities (Net) Rs. in Lakhs

	Particulars	As at 31st March 2017	As at 31st March 2016
a)	**Deferred tax liability comprise the following:**		
	Fixed assets-(Depreciation)	**2,282.20**	1,872.37
	Others	**0.00**	0.00
	Total (a)	**2,282.20**	1,872.37
b)	**Deferred tax Assets comprise the following:**		
	Disallowances as per Section 43B and Section 40(a) of the Income Tax Act, 1961	**0.00**	0.00
	Unabsorbed depreciation as per tax laws	**96.37**	71.48
	Total (b)	**96.37**	71.48
	Total Net (a-b)	**2,185.83**	1,800.89

Note No. 7: Other Long Term Liabilities **Rs. in Lakhs**

Particulars	As at 31st March 2017	As at 31st March 2016
Trade Deposits from Dealers	**1,303.93**	1,359.73
Others	**0.00**	0.00
Total	**1,303.93**	1,359.73

Note No.8: Long-Term Provisions **Rs. in Lakhs**

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for Employee Benefits		
Leave Encashment (unfunded)	**265.88**	202.36
Total	**265.88**	202.36

Note No.9: Short-Term Borrowings **Rs. in Lakhs**

Particulars	As at 31st March 2017	As at 31st March 2016
(i) Short -term borrowings :		
Secured:		
(a) Loans Repayable on Demand from Banks.*	**16,761.23**	18,030.11
UnSecured:		
(a) Other parties.	**0.00**	0.00
Total	**16,761.23**	18,030.11

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

Note No.10: Trade Payables **Rs. in Lakhs**

Particulars	As at 31st March 2017	As at 31st March 2016
Trade Payables		
MSMED Vendors (Refer Note No.a)	**0.00**	0.00
Others	**13,503.55**	10,688.07
Total	**13,503.55**	10,688.07

Note:

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

Note No.11: Other Current Liabilities **Rs. in Lakhs**

	Particulars	As at 31st March 2017	As at 31st March 2016
a)	**Secured**		
	Current maturities of long term borrowings (Refer Note No.5 (a to f))	**1,504.17**	1,582.50
	Interest accrued but not due (Refer Note No.5 (a to f))	**60.04**	50.55
	Interest accrued and due (Refer Note No.5 (a to f))	**0.00**	0.00
b)	**Unsecured:**		
	Capital Creditors	**187.29**	243.48
	Un claimed Dividends (Refer Note No.a)	**29.23**	47.45
	Advances from customers-Domestic	**1,761.75**	1,526.77
	Other Liabilities	**1,143.17**	872.26
	Deferred payment liabilities.(Refer Note No.5 g)	**35.96**	75.05
	Total	**4,721.61**	4,398.06

Note:

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

Note No.12: Short Term Provisions **Rs. in Lakhs**

	Particulars	As at 31st March 2017	As at 31st March 2016
a)	**Provision for employee benefits**		
	I. Gratuity		
	- Funded liability net of planned assets	**165.05**	6.45
	-Others	**94.44**	196.10
	Total Gratuity	**259.49**	**202.55**
	II.Leave Encashment (unfunded)	**5.31**	4.19
b)	**Provision for**		
	Income Tax	**571.85**	0.00
	Wealth Tax	**0.00**	0.00
	Corporate Dividend Tax	**0.00**	31.74
c)	**Other Provisions**	**1,237.70**	2,120.64
d)	**Proposed Equity Dividend**	**0.00**	155.91
	Total	**2,074.35**	2,515.03

Note No.13: Fixed Assets **Rs. in Lakhs**

Particulars		Gross Block				Accumulated Depreciation/Amortisation					Net Block	
		Balance as at 01st April 2016	Additions	Sales / adjust-metns	Balance as at 31st March 2017	As at 1st April'2016	for the year	Adjustment due to revaluations/ transfers	Sales / adjust-metns	Balance as at 31st March 2017	Balance as at 31st March 2017	Balance as at 31st March 2016
a	**Tangible Assets**											
	Land	441.60	0.00		**441.60**	0.00	0.00			**0.00**	**441.60**	441.60
	Buildings	5,309.73	51.86	530.68	**4,830.91**	1,633.61	153.52	0.00	135.41	**1,651.72**	**3,179.19**	3,676.12
	Plant and Equipment	31,000.04	377.25	3.22	**31,374.07**	19,632.73	2,349.47		2.08	**21,980.12**	**9,393.95**	11,367.31
	Furniture and Fixtures	594.82	6.88	9.33	**592.37**	271.41	54.96	0.00	9.04	**317.33**	**275.04**	323.41
	Vehicles	146.88	47.01	20.75	**173.15**	102.82	12.80		16.57	**99.05**	**74.10**	44.06
	Office equipment	227.65	26.97	37.50	**217.12**	179.07	15.68	0.00	34.64	**160.11**	**57.01**	48.58
	Computers & peripherals	519.34	98.44	42.25	**575.53**	417.39	46.16	0.00	35.62	**427.93**	**147.60**	101.95
	Total	38,240.06	608.42	643.73	**38,204.75**	22,237.03	2,632.60	0.00	233.36	**24,636.27**	**13,568.49**	16,003.04
	Less : Depreciation Capitalised during the year						139.56					
	Depreciation taken to Statement of Profit and Loss						2,493.04					
Note No.14												
b	**Intangible Assets**											
	Goodwill	121.40	0.00		**121.40**	121.40	0.00	0.00		**121.40**	**0.00**	0.00
	SAP Upgradation licence / Implementation fee	324.20	0.00		**324.20**	238.37	85.83	0.00		**324.20**	**0.00**	85.83
	R&D Projects	770.44	440.78	199.10	**1,012.12**	189.03	244.48	0.00	73.21	**360.30**	**651.82**	581.41
	Technical Knowhow	65.00	0.00		**65.00**	65.00	0.00	0.00		**65.00**		
	Total	1,281.04	440.78	199.10	**1,522.72**	613.80	330.30	0.00	73.21	**870.90**	**651.82**	667.24
Note No.15												
c	**Capital Work In Progress**										**281.23**	233.21
d	**Intangible Assets under development**										**405.11**	338.92
	Total										**686.34**	572.13
	Total	39,521.10	1,049.20	842.82	**39,727.47**	22,850.82	2,823.35	0.00	306.56	**25,507.16**	**14,906.65**	17,242.41
	Previous Year	37,676.77	1,952.78	108.45	**39,521.10**	20,107.17	2,676.22	0.00	65.84	**22,850.83**	**17,242.41**	18,756.55

Note No.16: Non-Current Investments ₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Un quoted		
a) Subsidiaries : (Trade Investments)		
- Nagarjuna Agrichem (Australia) Pty Ltd	**24.51**	18.01
(49395 Equity Shares of AU$ 1/each, Previous year 36720)		
- L R Research Lab Private Limited	**1.00**	1.00
(10,000 Equity Shares of Rs. 10/each, Previous year 10,000)		
b) Associate : (Trade Investments)		
- Nasense Labs Pvt.Ltd.,(Formerly USP Organics Pvt Ltd)	**493.60**	493.60
(49,36,052 Equity shares of Rs.10/- each, Previous year 49,36,052)		
c) Others : (Non-Trade Investments)		
- Nagaarjuna Shubho Green Technilogies Private Ltd.	**500.00**	500.00
(5,00,000 10% Cumulative Redeemable Preference Shares of Rs.100/- each, Previous year 5,00,000)		
- New India Co Operative Bank Ltd	**5.00**	5.00
(50,000 Equity Shares of Rs.10/- each, Previous year 50,000)		
- SVC Co Operative Bank Ltd		
(100 Equity Shares of Rs.25/- each, Previous year 100)	**0.03**	0.03
Total (Aggregate amount of unquoted investments)	**1,024.14**	1,017.64

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

Particulars	As at 31st March 2017	As at 31st March 2016
(Unsecured, considered good)		
Loan to an associate company - Nasense Labs Pvt.Ltd.,	**167.00**	167.00
Income tax (net of provisions) - Advance / paid under protest	**0.00**	497.40
Prepaid expenses	**1.01**	2.51
Deposits with government, public bodies and others	**21.53**	21.53
Electricity and other deposits	**213.64**	209.66
Balance with customs, central excise etc.,	**15.63**	15.63
Rental and Other deposits (Refer Note 17 (a))	**113.03**	115.76
Telephone Deposit	**0.00**	1.18
TOTAL	**531.84**	1,030.67

Note 17 (a) : Includes Rs.50.15 lakhs (previous year Rs.50.15 lakhs) with Smt.K.Lakshmi Raju, a Director of the Company

Note No.18: Inventories ₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Raw materials [including in transit Rs.525.59 lakhs (previous year 513.36 lakhs)]	**5,960.54**	6,196.01
Work-in progress	**787.05**	708.35
Finished goods	**11,729.91**	9,635.09
Stock of Traded Goods	**1,505.83**	719.68
Packing materials	**575.24**	592.13
Stores and Spares	**614.32**	463.23
Total	**21,172.89**	18,314.49

Note No.19: Trade Receivables ₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Unsecured and considered good :		
Due for a period more than six months	**2,145.08**	2,059.03
Others	**21,466.79**	16,768.04
Total	**23,611.87**	18,827.07

Note No.20: Cash and Cash equivalents ₹ in Lakhs

	Particulars	As at 31st March 2017	As at 31st March 2016
a)	Cash on hand	**5.26**	15.83
b)	Balances with banks*		
	1) In current accounts		
	-Rupee accounts	**21.77**	982.88
	-Foreign currency accounts	**744.25**	314.05
	2) Earmarked accounts - Unclaimed dividend	**29.23**	47.45
	3) Bank Deposits with more than 12 months maturity	**1.00**	1.00
	TOTAL:	**801.51**	1,361.21

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

Particulars	As at 31st March 2017	As at 31st March 2016
Unsecured and considered good :		
Advance income taxes & TDS (net of provisions)	**582.28**	280.05
Prepaid expenses	**167.94**	185.63
Loans and advances to employees	**3.68**	2.64
Balance with customs, central excise etc.,	**391.91**	531.92
Capital Advances	**77.08**	86.38
Advance to material Suppliers and Others	**997.22**	842.61
MAT credit Available	**1,094.98**	
Trade Advance to Related parties (Refer Note No.39 B)	**295.11**	427.46
TOTAL	**3,610.20**	2,356.69

Note No. 22: Other Current Assets ₹ in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Interest accrued on Deposits & Others	**123.14**	106.84
Insurance Claims Receivable	**20.02**	627.04
TOTAL	**158.16**	733.88

Note No. 23: Revenue from operation ₹ in Lakhs

	Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
a)	Sale of products;	**82,863.81**	76,080.92
b)	Other operating revenues;		
	- Conversion charges	**97.19**	400.90
	- Income from Operations	**10.13**	31.47
	- Other Operating Income	**510.29**	882.73
	TOTAL :	**83,481.42**	77,396.02

Note No. 24: Other income ₹ in Lakhs

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
(a) Interest Income	**79.73**	48.57
(b) Other non-operating income		
- Excess Provisions Written Back	**163.32**	692.74
- Profit on sale of Fixed Assets	**6.19**	13.14
- Bad Debts written off recovered	**39.87**	19.33
- Dividends received on investments	**0.65**	0.60
- Others	**1,395.37**	1,081.42
TOTAL :	**1,685.13**	1,855.80

Note No. 25: Cost of materials consumed ₹ in Lakhs

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Raw-Material Consumption	**38,931.20**	35,407.74
Packing-Material Consumption	**4,608.31**	4,245.10
Total:	**43,539.51**	39,652.84

Note No. 26: Changes in inventories of finished goods, work-in- progress and Stock-in-trade ₹ in Lakhs

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Opening work-in progress	**708.35**	475.77
Opening finished goods	**9,635.09**	10,560.66
Total:	**10,343.44**	11,036.43
Closing work-in progress	**787.05**	708.35
Closing finished goods	**11,729.91**	9,635.09
Total:	**12,516.96**	10,343.44
Net (increase)/decrease in stock	**-2,173.52**	692.99

Note No. 27: Employee benefits expense ₹ in Lakhs

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Salaries, wages and bonus	**5,447.57**	4,826.18
Contribution to provident and other funds	**303.20**	266.80
Workmen and staff welfare expenses	**493.42**	422.65
Total:	**6,244.19**	5,515.63

Note No. 28: Finance Costs ₹ in Lakhs

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
(I) Interest on term loans	**588.89**	453.68
(ii) Interest on working capital loans	**1,894.83**	1,865.99
(iii) Interest - others	**644.89**	714.13
(iv) Bank charges	**337.34**	351.52
(v) Financial charges	**307.15**	317.64
Total :	**3,773.10**	3,702.96

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

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
(Refer Note No. 13 to15)		
Tangible Assets	**2,493.05**	2,472.54
Intangible Assets	**330.30**	203.68
TOTAL	**2,823.35**	2,676.22

Note No. 30: Other Expenses ₹ in Lakhs

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Consumption of stores and spare parts.	**633.96**	483.72
Repairs and maintenance		
-Buildings.	**58.00**	44.50
- Plant & Machinery.	**60.09**	52.64
- others	**21.75**	26.59
Other manufacturing costs	**1,546.33**	1,337.37
Power and fuel.	**2,734.55**	2,814.90
Rent.	**301.68**	285.67
Rates and taxes, excluding, taxes on income.	**105.79**	58.20
Communication expenes	**107.87**	108.03
Travel & conveyance	**1,189.96**	1,225.05
Technical consultancy	**65.36**	97.24
Legal & Professional Charges	**245.32**	243.08
Insurance .	**295.89**	219.61
Directors' sitting fees	**6.90**	9.00
Auditors' Remuneration		
- Audit Fee	**18.00**	18.00
- Taxation matters	**4.00**	4.00
- Certification Fees	**4.35**	3.75
- Out of Pocket expneses	**0.15**	0.27
Cost Audit fee	**4.35**	4.25
S.A.P. annual maintenance	**34.13**	33.71
R&D and product development expenses	**39.26**	63.12
Miscellaneous expenses	**623.74**	534.03
Foreign Exchange Fluctuation (Net of Gain of 140.09 Lakhs)	**25.76**	333.18
Loss on sale/retirement of fixed assets	**130.15**	26.20
Bad debts written off	**654.21**	548.20
Marketing expenses	**4,262.17**	3,614.35
Freight outward	**1,862.65**	1,699.52
Export and export related expenses	**259.78**	227.30
TOTAL	**15,296.15**	14,115.47
DUTIES AND TAXES		
Excise Duty	**10,440.45**	8,377.13
Less : Adjusted to Turnover	**10,062.09**	8,255.56
TOTAL	**378.36**	121.57
TOTAL :	**15,674.51**	14,237.04

31. Commitments/ Contingent Liabilities

S. No	Particulars	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
a)	**Commitments/ Contingent Liabilities**		
	(i) Letters of Credit issued by Bankers	**6672.53**	6510.95
	(ii) Counter Guarantees given to Bankers	**354.60**	270.00
b)	**Claims against the Company not acknowledged as debts in respect of**		
	(i) Disputed Excise Duty (Payments made under protest Rs.14.86 Lakhs)	**35.13**	35.13
	(ii) Disputed Service Tax (Payments made under protest Rs.3..52 Lakhs)	**56.43**	58.80
	(iii) Disputed Income Tax Demands (Payments made under protest Rs.430.40 Lakhs)	**430.40**	430.40
	(iv) Disputed Sales Tax Demands (Payments made under protest Rs.35.68 Lakhs)	**23.32**	30.38
c)	**Others**	**124.57**	124.57
d)	**Estimated amount of contracts, remaining to be executed on Capital account and not provided for (net of advance)**	**71.09**	113.39

32. A. Raw Material Consumed:

Particulars	2016-17 Value ₹ in Lakhs	2015-16 Value ₹ in Lakhs
Raw Material *	**38931.20**	35407.74
Total:	**38931.20**	35407.74

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

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

Particulars	2016-17		2015-16	
	₹ in Lakhs	%	₹ in Lakhs	%
Imported	**15831.11**	**40.66**	15030.44	42.45
Indigenous	**23100.09**	**59.34**	20377.30	57.55
Total:	**38931.20**	**100.00**	35407.74	100.00

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

Particulars	2016-17		2015-16	
	₹ in Lakhs	%	₹ in Lakhs	%
Indigenous	**519.78**	**100**	410.17	100
Imported	**---**	**---**	---	---

D. Value of Imports Calculated on CIF Basis

Particulars	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Raw Material	**13124.55**	14997.03
Capital Goods	**76.05**	76.27

E. Expenditure in Foreign Currency

Particulars	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Traveling Expenses	**32.95**	37.81
Consultancy Charges	**21.12**	68.78
Others including Commission	**39.92**	62.58

F. Earnings in Foreign Exchange

Particulars	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Export of Goods on FOB basis	**10352.16**	14208.83

33. Payments to Auditors:

S. No.	Particulars	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
1	Statutory Audit *	**18.00**	18.00
2	Tax Audit *	**4.00**	4.00
3	Certification *	**4.35**	3.75
4	Out of Pocket Expenses	**0.15**	0.27
	Total:	**26.50**	26.02

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

34. Expenditure on Research & Development.

Particulars	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
(A) Revenue expenditure capitalized during the year from respective heads :		
-Salaries & Wages	**142.01**	146.52
-Contribution to PF etc	**9.08**	9.21
-Staff Welfare Expenses	**9.07**	8.92
-Chemicals Consumption	**54.84**	49.88
-Travel & Conveyance	**2.15**	5.00
-Communication	**0.41**	2.32
-Consultancy Charges	**76.86**	58.10
-Depreciation	**139.56**	133.27
-Repairs	**14.63**	9.83
-Electricity	**45.62**	39.87
-Other Expenses	**21.63**	42.44
Total(A):	**515.86**	505.37
(B) Capital Expenditure	**101.90**	117.22
Total Capital Expenditure (A) + (B):	**617.76**	622.59
(C) Other Revenue Expenditure	**95.34**	75.46

35. Insurance Claim:

The company has recognized as income in the accounts the entire amount of claims received of Rs 45.65 Cr being the aggregate of insurance proceeds of Rs 32.44 Cr received during the year, Rs 10.00 Cr being the on-account insurance proceeds received and credited to Claims Receivable account and Rs 3.21 Cr being the sale proceeds of scrap credited to claims receivable account, in earlier years.

Consequently, the company has also recognized as expenses in the accounts Rs 20.08 Cr comprising fully damaged assets written off Rs 14.16 Cr, Work-in-progress written off Rs.1.31 crs and other expenses of Rs.0.66 crs arising out of the said accident and accounted under claims receivable so far. Further damages arising from the said accident assessed during the year at Rs.3.95 crs have also been expensed in these accounts. The net effect of Rs.25.57 crs has been disclosed as Exceptional Item.

The Company has contested the claim amount paid by the Insurance Company and initiated the Arbitration proceedings.

36. Borrowing Cost

Borrowing cost capitalized during the year is nil (Previous year nil)

37. Related Party Transactions (Disclosure as required by AS-18 "Related Party Disclosures) :

A. Names of related parties and description of relationship.

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

B. **Related Party transactions are as under:** Rs.in Lakhs

Sl No	Transaction	Subsidiary company		Associates		Key Management Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Individuals who, indirectly have control on the voting power in the company & their relatives		Enterprises under the significant influence of persons having significant influence over this company	
		2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
A) TRANSACTIONS DURING THE YEAR													
1	Sales	**-**	-	**-**	22.99	**-**	-	**0.76**	-	**-**	-	**31.33**	-
2	Purchases goods	**-**	-	**-**	-	**-**	-	**19.70**	-	**-**	-	**398.64**	1119.38
3	Conversion charges (Indo International Fertilisers Ltd.)	**-**	-	**-**	-	**-**	-	**225.00**	120.00	**-**	-	**-**	-
4	Consultancy Charges	**60.84**	30.52	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
5	Building , Equipment & Godown rents – Expense	**-**	-	**-**	-	**-**	-	**-**	-	**128.80**	127.79	**-**	-
6	Godown rent-Income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**6.00**	6.00
7	Managerial Remuneration	**-**	-	**-**	-	**80.68**	76.61	**-**	-	**-**	-	**-**	-
8.	Director sitting fee	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.35**	**1.25**	**-**	**-**
9	Advance payments	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
10	Investments	**6.51**	10.28	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-

Sl No	Transaction	Subsidiary company		Associates		Key Management Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Individuals who, indirectly have control on the voting power in the company & their relatives		Enterprises under the significant influence of persons having significant influence over this company	
		2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
B) BALANCE AS AT 31st MARCH													
11	Credit balances outstanding as on 31st March	**-**	3.11		-	**-**	-	**-**	-	**-**	-	**114.89**	224.03
12	i)Trade Debit balances outstanding as on 31st March	**2.98**	-	**-**	24.00	**-**	-	**292.12**	427.46	**-**	-	**-**	-
	ii) Debit balances (Unsecured Loan) outstanding as on 31st March			**265.32**	234.61	**-**	-	**-**	-	**-**	-	**-**	-
13	Rental Deposits (Debit balance)	**-**	-	**-**	-	**-**	-	**-**	-	**50.15**	50.15	**-**	-
14	Total Investment as on 31st March	**25.53**	19.02	**493.60**	493.60	**-**	-	**500.00**	500.00	**-**	-	**-**	-

38. The remuneration has been paid to the Managing Director in accordance with the Sections 196, 197and 198 and other applicable provisions of The Companies Act, 2013

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

Rs.in Lakhs

Particulars	2016-17	2015-16
Profit / (Loss) for the year after Tax	**3618.54**	897.59
No. of Equity Shares of Re.1/- each :		
(a) Basic	**15,61,44,008**	15,59,11,508
Add : Dilutive Effect of Employees Stock Options	**3,70,206**	4,93,697
(b) Diluted	**15,65,14,214**	15,64,05,205
Earnings Per Share in Rs.		
(a) Basic	**2.32**	0.58
(b) Diluted	**2.31**	0.58

40. Employee Benefit Obligations

A. Defined Contribution Plan:

The company makes Provident Fund contribution to defined contribution retirement benefit plan for qualifying employees. Under the scheme the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. Contribution to defined contribution plan is recognized and charged off for the year as follows:

Rs.in Lakhs

Particulars	FY 2016-17	FY 2015-16
Employer's contribution to Provident Fund	131.23	116.35
Employer's contribution to Pension Scheme	135.49	119.32

B. Defined Benefit Plan:

Liability for retirement gratuity as on March 31, 2017 is funded with Life Insurance Corporation of India.Liability for Gratuity has been actuarially determined and provided in the books.The details are given below.

Rs.in Lakhs

S. No.	Particulars	31/03/2017	31/03/2016
1	**Actuarial Assumptions**		
	Discount Rate	**8%**	8%
	Salary Escalation	**6%**	4%
	Attrition Rate	**1-3%**	1-3%
	Mortality Table	**LIC (2006-08)**	LIC (1994-96)
	Retirement Age	**58 Years**	58 Years
2	**Table Showing changes in present value of Obligation as on 31/03/2017**		
	Present value of obligations as at beginning of year	**291.51**	318.22
	Interest cost	**23.32**	25.46
	Current Service Cost	**38.97**	41.45
	Benefits Paid	**(41.57)**	(43.60)
	Actuarial (gain)/ loss on obligations	**195.94**	(54.59)
	Present value of obligations as at end of year	**508.17**	286.92
3	**Table showing changes in the fair value of plan assets as on 31/03/2017**		
	Fair value of plan assets at beginning of year	**287.12**	300.73
	Expected return on plan assets	**24.79**	23.34
	Contributions	**72.78**	-
	Benefits Paid	**(41.57)**	(43.60)
	Actuarial gain/(loss) on Plan assets	**-**	-
	Fair value of plan assets at the end of year	**343.11**	287.12
4	**Table showing fair value of plan assets**		
	Fair value of plan assets at beginning of year	**287.12**	300.73
	Actual return on plan assets	**24.79**	23.34
	Contributions	**72.78**	-
	Benefits Paid	**(41.57)**	(43.60)
	Fair value of plan assets at the end of year	**343.11**	280.47
	Funded status	**(165.05)**	(6.45)
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March	**-**	-
5	**Actuarial Gain/Loss recognized**		
	Actuarial (gain)/ loss on obligations	**(195.94)**	54.59
	Actuarial (gain)/ loss for the year - plan assets	**-**	-
	Actuarial (gain)/ loss on obligations	**195.94**	(54.59)
	Actuarial (gain)/ loss recognized in the year	**195.94**	(54.59)

Rs.in Lakhs

S. No.	Particulars	31/03/2017	31/03/2016
6	**The amounts to be recognized in the balance sheet and statements of profit and loss**		
	Present value of obligations as at the end of year	**508.17**	286.92
	Fair value of plan assets as at the end of the year	**343.11**	280.47
	Funded status	**(165.05)**	(6.45)
	Net asset/(liability) recognized in balance sheet	**(165.05)**	(6.45)
7	**Expenses Recognised in statement of Profit and loss**		
	Current Service cost	**38.97**	41.45
	Interest Cost	**23.32**	25.46
	Expected return on plan assets	**(24.79)**	(23.34)
	Net Actuarial (gain)/ loss recognized in the year	**195.94**	(54.59)
	Past Service Cost	**-**	-
	Expenses recognised in statement of Profit and loss	**233.43**	(11.02)

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

C) "Nagarjuna Agrichem Ltd.-Employee Stock Option Scheme-2015"

i) The "Nagarjuna Agrichem Ltd.-Employee Stock Option Scheme-2015" (hereinafter referred to as "ESOS-2015") was approved by the Shareholders in the 28th Annual General Meeting of the Company held on 28th September, 2015 and is being administered by the Compensation Committee of the Board of Directors, set up for the purpose

ii) Under the ESOS-2015, 11,50,000 options have been reserved to be issued to the eligible employees, with each option conferring a right upon such employee to apply for one equity share of Re.1/- each of the Company. The options granted under the Scheme would vest after a minimum period of one year from the date of grant and may spread over a maximum period of five years after the aforesaid one year. The options granted to the employees would be capable of being exercised within a period, of two years from the date of vesting;

iii) Pursuant to ESOS-2015, the Company, during the year 2015-16, has granted 9,30,000 (Nine Lakhs Thirty Thousand Only) options with a vesting period spread over maximum period of five years commencing after the aforesaid one year from the date of grant. The exercise price of Rs. 8/- (Rupees Eight Only) per share being less than the closing market price prevailing on the date prior to the date of grant, there arises deferred compensation cost which is to be suitably amortized over the period during which the vested options are to be exercised, in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. Accordingly an amount of Rs.21.08 lakhs has been accounted in the books of account as deferred compensation cost.

iv) Summary of Stock Option

Summary of Stock Option	No. of Stock Options
Options Reserved	11,50,000
Options Outstanding as on 01.04.2016	9,30,000
Options granted during the year	Nil
Options forfeited / lapsed during the year	Nil
Options exercised during the year	2,32,500
Options Outstanding as on 31.03.2017	6,97,500
Options vested but not exercised as on 31.03.2017	Nil

v) Information in respect of options outstanding as at 31st March, 2017

Particulars	Date of Grant	Exercise Price RS.	No. of Options	Fair Value as on 31.03.2016 Rs.
Grant 1	29.09.2015	8.00	8,70,000	13.33
Grant 2	06.11.2015	8.00	60,000	14.10

vi) The Fair Value has been calculated using the Black Scholes Options Pricing model and the significant assumptions made in this regard as follows:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Grant-1	Grant-2	Grant-1	Grant-2
Risk free Interest Rate	7.10%	7.10%	7.10%	7.10%
Expected Life (Years)	6	6	6	6
Expected Volatility	72.8%	72.8%	72.8%	72.8%
Dividend Yield	0.54%	0.54%	0.54%	0.54%
Price of the underlying share in market at the time of the Option grant (Rs.)	17.00	17.85	17.00	17.85
Weighted Average Share price at the date of exercise	17.92	17.92	17.92	17.92
Weighted Average Remaining Contractual Life	4 1/2 Years	4 1/2 Years	-	-

Assumptions :
Stock Price : Closing price on BSE on the previous date to the date of grant has been considered.
Volatility : The historical volatility over the expected life has been considered to calculate the fair value.
Risk-free rate of return : The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity nearly equal to the expected life of the options based on the zero-coupon yield curve Government Securities.
Exercise Price : Exercise Price of Rs.8 as per the ESOS-2015 considered.
Expected Life : Expected Life of options is the period for which the Company expects the option to be live.
Expected Dividend Yield : Expected dividend yield has been calculated as an average of dividend yields for the financial years preceding the date of grant.

41. The year-end Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	March 31, 2017		March 31, 2016	
		In foreign currency	in Lakhs	In foreign currency	in Lakhs
Sundry Debtors	USD	4920676	3297.04	50,29,109	3,335.81
	EUR	286425	204.21	48,700	36.59
Cash and Bank Balances	USD	1148539	744.25	4,73,459	314.05
Trade Payables	USD	4588104	3078.78	31,62,440	2,101.76
	EUR	85600	60.51	-	-
Royalty	USD	-	-	25,000	16.62
Borrowings	USD	3207400	2082.89	37,31,841	2,480.18
	EUR	85600	59.37	-	-
Advances receivables	-	-	-	-	-
Loans and advances to related parties	-	-	-	-	-

42. Disclosure on Specified Bank Notes (SBNs

Specified Bank Notes (SBN) and other denomination notes on hand as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of SBN held and transacted during the period from 8 November, 2016to 30 December, 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	2.46	7.51	9.97
(+) Permitted receipts	-	28.84	28.84
(-) Permitted payments	-	(30.44)	(30.44)
(-) Amount deposited in Banks	(2.46)	-	(2.46)
Closing cash in hand as on 30-12-2016	-	5.91	5.91

43. Balances in the accounts of various debtors, loans and advances and creditors are subject to reconciliation and confirmation

44. Figures of the previous year have been re-grouped/recast wherever necessary to conform to the current year's presentation/ classification

45. Figures are rounded off to the nearest thousands.

Signatures to Notes 1 to 45

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants
Firm Regn No: 000459S

V.Raghunandan
Partner
(Membership No.026255)

Place: Hyderabad
Date: 27th May, 2017

For and on behalf of the board

N.Vijayaraghavan
Director
(DIN:02491073)

V.Vijay Shankar
Managing Director
(DIN:00015366)

R.K.S.Prasad
Chief Financial Officer
(FCA 024958)

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS 9085)

Independent Auditors' Report

To

The Members of

Nagarjuna Agrichem Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Nagarjuna Agrichem Limited ("the Holding Company") its subsidiaries and its Associate (the Holding Company, its subsidiaries and its Associate together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (here in referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of 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 consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

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

Note No. 39 regarding the insurance claim on fire affected Block-5 of Srikakulam Plant during 30th June, 2012 has been settled and the company received an amount of Rs. 32.44 Crores on 15th December, 2016. The total amount of insurance claim proceeds (including scrap realization) of Rs. 45.65 Crores is credited to the Profit & Loss Account. The company has debited to the Profit & Loss Account Rs. 20.08 Crores being the book value of completely damaged assets, partially damaged assets and damaged inventories. The net amount of Rs. 25.57 Crores is shown under Exceptional Items.

Our opinion is not modified in respect of above matters.

Other Matter

The consolidated financial statements also includes the Group's share of net profit of Rs. 1,05,13,888/- and net loss of Rs. 9,78,623/- for the year ended 31 March, 2017, as considered in the consolidated financial statements, in respect of the associate and the wholly owned subsidiary, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said associate and wholly owned subsidiary and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate and wholly owned subsidiary, is based solely on the report of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors of the Holding Company as on 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 company 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 financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements.
      ii. The Group did not have any material foreseeable losses relating to long-term contracts including derivative contracts.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India except in cases where in disputes relating to ownership of the underlying shared have remained unresolved.
      iv. The Company has provided disclosures in Note 49 in the consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 and December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including those in Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

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

(V. Raghunandan)
Partner
Membership No. 26255

Place : Hyderabad
Date : 27th May,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")

In conjunction with the audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we report on the internal financial controls over financial reporting of Nagarjuna Agrichem Limited, its subsidiary and an Associate incorporated in India (all of them together referred to herein after as the Group)

Management's Responsibility for Internal Financial Controls

The respective Boards of directors of the Holding Company, its subsidiary company and Associate, which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 the respective 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 Group'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 Group'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, to the best of our information and according to the explanations furnished to us and based on the auditors' report of the associate, the Holding Company, its subsidiary Company and the Associate, which are 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.

Other matters

Our report herein u/s 143(2)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Associate incorporated in India, is based on the report of its auditors and is not qualified in respect thereof.

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

(V. Raghunandan)
Partner
Membership No. 26255

Place : Hyderabad
Date : 27th May,2017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

Rs. in Lakhs

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share Capital	3	**1,561.44**	1,559.12
Reserves and surplus	4	**20,755.03**	17,003.81
		22,316.47	18,562.93
2 Non-current liabilitiesw			
Long-term borrowings	5	**3,007.76**	3,554.91
Deferred tax liabilities (net)	6	**2,185.83**	1,800.89
Other long term liabilities	7	**1,303.93**	1,359.73
Long-term provisions	8	**265.88**	202.36
		6,763.40	6,917.89
3 Current liabilities			
Short-term borrowings	9	**16,761.23**	18,030.11
Trade payables	10		
MSMED		**-**	-
Others		**13,506.54**	10,688.07
Other current liabilities	11	**4,730.37**	4,405.24
Short-term provisions	12	**2,080.65**	2,520.92
		37,078.79	35,644.34
TOTAL		**66,158.66**	61,125.16
II. ASSETS			
1 Non-current assets			
Fixed assets			
(i) Tangible assets	13	**13,568.49**	16,003.04
(ii) Intangible assets	14	**651.82**	667.24
(iii) Capital work-in-progress	15	**281.23**	233.21
(iv) Intangible assets under development		**405.11**	338.92
Non-current investments	16	**1,355.95**	1,250.81
Long-term loans and advances	17	**531.84**	1,030.67
		16,794.44	19,523.89
2 Current assets			
Inventories	18	**21,172.89**	18,314.49
Trade receivables	19	**23,611.42**	18,827.07
Cash and cash equivalents	20	**802.44**	1,362.96
Short-term loans and advances	21	**3,610.20**	2,356.69
Other current assets	22	**167.28**	740.06
		49,364.22	41,601.27
TOTAL		**66,158.66**	61,125.16
Significant Accounting Policies and notes on Financial Statements	1 to 52		

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants
Firm Regn No: 000459S

For and on behalf of the board

V.Raghunandan
Partner
(Membership No.026255)

N.Vijayaraghavan
Director
(DIN:02491073)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place: Hyderabad
Date: 27th May, 2017

R.K.S.Prasad
Chief Financial Officer
(FCA 024958)

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS 9085)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH,2017

Rs. in Lakhs

	Particulars	Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
I.	Sales/Revenue from operations	23	**83,544.26**	77,426.54
II.	Other income	24	**1,685.13**	1,855.80
III.	**Total revenue (I + II)**		**85,229.39**	79,282.34
IV.	Expenses:			
	Cost of materials consumed	25	**43,539.51**	39,652.84
	Purchase of stock in trade		**4,055.65**	3,432.79
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	26	**(2,173.52)**	692.99
	Excise Duty		**10,062.09**	8,255.56
	Employee benefits expense	27	**6,309.61**	5,544.41
	Finance costs	28	**3,773.25**	3,703.02
	Depreciation and amortization expenses	29	**2,823.35**	2,676.22
	Other expenses	30	**15,681.59**	14,253.60
	Total expenses		**84,071.53**	78,211.43
V.	**Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)**		**1,157.86**	1,070.91
VI.	Exceptional items	39	**(2,557.04)**	-
VII.	**Profit/(Loss) before extraordinary items and tax (V - VI)**		**3,714.90**	1,070.91
VIII.	Extraordinary items		**-**	
IX.	**Profit/(Loss) before tax (VII- VIII)**		**3,714.90**	1,070.91
X	**Taxes on Income**			
a	MAT Credit Entitlment		**(1,094.98)**	-
b	Tax expense:			
	(1) Current tax		**816.21**	235.49
	(2) Deferred tax		**384.94**	(46.80)
XI	**Profit /(Loss) for the period (IX + X)**		**3,608.73**	882.22
XII	**Share of Profit from Associate Company**		**105.14**	91.35
XIII	**Profit /(Loss) for the period (XI + XII)**		**3,713.87**	973.57
XII	**Earnings per equity share:**			
	(1) Basic		**2.38**	0.62
	(2) Diluted		**2.37**	0.62

Significant Accounting Policies and notes on Financial Statements 1 to 52

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants
Firm Regn No: 000459S

For and on behalf of the board

V.Raghunandan
Partner
(Membership No.026255)

N.Vijayaraghavan
Director
(DIN:02491073)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place: Hyderabad
Date: 27th May, 2017

R.K.S.Prasad
Chief Financial Officer
(FCA 024958)

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS 9085)

CONSILIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Rs. in Lakhs

	Particulars	For the Year ended 31st March 2017		For the Year ended 31st March 2016	
		Amount	**Amount**	Amount	Amount
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	**3,714.90**	**3,714.90**	1,070.91	1,070.91
	Extraordinary items	**-**	**-**	-	-
	Adjustments for:				
	Add:				
	Depreciation & Amortisation Expenses	**2,823.24**		2,676.22	
	Foreign Exchange Fluctuations-Unrealised Loss			334.21	
	Loss on Sale/Discarded of Fixed Assets	**130.15**		26.20	
	Interest	**3,773.25**		3,703.02	
	MAT Credit Entitlement	**1,094.98**			
	Less:		**7,821.72**		6,739.65
	Foreign Exchange Fluctuations-Unrealised Profit	**50.38**		-	
	Profit on sale of Assets	**6.19**		13.14	
			56.57		13.14
	Operating profit before working capital changes				7,797.42
			11,480.06		
	Adjustments for:				
	Less:				
	Increase in Trade Receivables	**4,874.05**		-	
	Increase in Inventories	**2,858.40**		-	
	Increase in Short Term Loans & Advances	**1,253.51**		15.19	
	Decrease in Trade Payable			5,923.71	
	Decrease in Other Current Liabilities & Short Term Provisions			1,230.70	
			8,985.96		7,169.60
			2,494.09		627.82
	Add:				
	Increase in Other Current Liabilities & Short Term Provisions	**24.54**		-	
	Decrease in Long Term Loans & Advances	**498.82**		171.99	
	Decrease in Trade Receivables			3,223.77	
	Decrease in Inventories			327.72	
	Increase in Long term Liabilities & Provisions	**7.72**		163.02	
	Increase in Trade Payable	**2,958.55**		-	
	Decrease in Other Current Assets	**572.79**		285.67	
	Cash generated from operations		**4,062.42**		4,172.17
			6,556.51		4,799.99
	Less:				
	Taxes paid	**816.21**	**816.21**	235.49	235.49
	Cash flow before extraordinary items		**5,740.30**		4,564.50
	Prior year Taxes (Net)				-
	NET CASH FROM OPERATING ACTIVITIES		**5,740.30**		4,564.50

CONSILIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Rs. in Lakhs

Particulars		For the Year ended 31st March 2017		For the Year ended 31st March 2016	
		Amount	**Amount**	Amount	Amount
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Inflow:				
	Sale/Retirement of Fixed Assets	**551.85**		162.82	
	Capital Work in progress		**551.85**	-	162.82
				-	
	Outflow:			**-**	
	Investments	**-**		0.03	
	Purchase of Fixed Assets	**1,163.40**		1,337.96	
	Discarding of Assets	**-**		-	
			1,163.40		1,337.99
	NET CASH USED IN INVESTING ACTIVITIES		**(611.55)**		(1,175.17)
C.	**CASH FLOW FROM FINANCEING ACTIVITIES**				
	Proceeds from Long Term / Short Term Borrowings:				
	In flow:				
	Long Term Borrowings	**800.00**		2,219.56	
			800.00		2,219.56
	Outflow:				
	Other Current Liabilities	**78.33**		1,409.17	
	Long Term Borrowings	**1,311.20**			
	Short Term Borrowings	**1,268.29**		319.11	
	Interest Paid	**3,763.76**		3,701.85	
	Deferred Payment Liabilities	**35.96**		65.38	
	Corporate Dividend Tax	**31.74**		-	
			6,489.28		5,495.51
	NET CASH USED IN FINANCING ACTIVITIES		**(5,689.28)**		(3,275.95)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLENTS (A+B+C)		**(560.52)**		113.38
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOID		**1,362.96**		1,249.58
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOID		**802.44**		1,362.96

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants
Firm Regn No: 000459S

For and on behalf of the board

V.Raghunandan
Partner
(Membership No.026255)

N.Vijayaraghavan
Director
(DIN:02491073)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place: Hyderabad
Date: 27th May, 2017

R.K.S.Prasad
Chief Financial Officer
(FCA 024958)

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS 9085)

Notes forming part of the Financial Statement for the year ended 31st March, 2017

1. Corporate Informatio

NAGARJUNA AGRICHEM LTD, is a Public Limited Company listed with Bombay Stock Exchange. It is part of the Nagarjuna group based at Hyderabad. The Company is in the business of Crop Protection and manufactures both Technicals (Active Ingredient -AI) and Formulations. It manufactures all kinds of pesticides, insecticides, acaricides, herbicides, fungicides and other plant growth chemicals. The Company's Formulation Business is mainly in the Indian Market and sells through its large retail dealer network of nearly 12500 dealers, spread across India. The Company has an impressive range of branded formulations. It also exports Technicals and formulations and does Toll Manufacture for various Multinational Companies.

2. Significant Accounting Policies

A. Accounting Convention:

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

B. Use of Estimates:

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

C. Fixed Assets:

a) Fixed assets are stated at historical cost. (Net of Modvat / Cenvat Credit availed), less accumulated depreciation and impairment loss if any.

b) Capital Work-in-progress is stated at amount expended upto the date of the Balance Sheet.

c) Expenditure during construction work whether relevant other than those directly related to an asset is included under "Expenditure pending allocation" to be allocated to various fixed assets at the time of commencement of commercial production, as determined in accordance with the generally accepted accounting policies.

d) Expenditure incurred on Research & Development projects is considered as Intangible Assets on completion of the project and put into commercial use.

D. Depreciation:

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

Where the cost of a part of an asset is significant to the total cost of that asset and its useful life is determined to be different from the useful life of the remaining asset, depreciation on such part is computed in accordance with its respective useful life.

E. Intangibles:

a) Goodwill is amortised over a period of Ten years.

b) SAP Upgrade License/ Implementation fees is amortised over a period of twenty four months.

c) Intangible assets on account of R&D Projects amortised over a period of 36 months.

F. Long Term Investments:

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

G. Inventory:

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

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

a) Raw materials - at lower of cost and net realizable value.

b) Work-in-process - at cost.

c) Finished goods - at lower of cost and net realisable value. Cost includes cost of direct material, labour, factory overheads inclusive of excise duty.

d) Stores & Spares, Packing material - at lower of cost and net realizable value.

e) Traded goods - at lower of cost and net realizable value.

Cost is ascertained on the "Weighted Average" basis.

H. Foreign Currency Transactions:

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

I. Capital Subsidy:

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

J. Revenue:

a) Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

b) Sales are recognized at the point of despatch of materials to customers from plant and/or stocking points.

c) Revenue from processing/ conversion services is recognized when the underlying goods are manufactured and ready for delivery i.e., on completion of service.

K. Employee benefits:

a) Provident Fund is administered through Regional Provident Fund Commissioner. Company's contributions to the above fund are charged to the Profit & Loss Account, on accrual.

b) Provision for Gratuity is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary. The Gratuity Fund is administered through a scheme of Life Insurance Corporation of India. The contribution to the said fund is charged to the Profit & Loss Account, on accrual.

c) Provision for Leave encashment cost is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary, and is charged to Profit & Loss Account, on accrual.

d) **Employee Stock Option Scheme** : In respect of the options granted under the Nagarjuna Agrichem Ltd., Employees Stock Options Scheme, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in compliance with the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India, the cost of stock options granted to employees are accounted by the Company using the intrinsic value method and the cost based on excess of market value over the exercise price is recognised in the accounts over the vesting period on time proportion basis.

L. Borrowing Costs:

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

M. Income Taxes :

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

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

N. Impairment of Assets:

Impairment of an asset is reviewed and recognized in the event changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

O. Contingencies:

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

P. Earnings per Share:

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

Q. Segment Reporting:

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

R. Research and Development:

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

Note No. 3: Share Capital Rs. in Lakhs

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
200,000,000 Equity Shares of Rs.1/- each (Previous Year 200,000,000 Equity Shares of Rs.1/-each)	**200,000,000**	**2,000.00**	200,000,000	2,000.00
Issued,Subscribed & Paid up				
156,144,008 Equity Shares of Rs.1/- each (Previous Year 155,911,508 Equity Shares of Rs.1/- each)	**156,144,008**	**1,561.44**	155,911,508	1,559.12
Total	**156,144,008**	**1,561.44**	**155,911,508**	**1,559.12**

a) Reconciliation of Share Capital Rs. in Lakhs

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Share capital at the beginning of the year (Equity Shares of Rs. 1/- each)	155,911,508	1,559.12	155,911,508	1,559.12
Add : Shares allotted under ESOS-2015 (Equity Shares of Rs. 1/- each)	232,500	2.32	-	-
Share capital at the end of the year (Equity Shares of Rs. 1/- each)	156,144,008	1,561.44	155,911,508	1,559.12

b) Rights, Preferences and Restrictions attached to Equity shares

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

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

c) The Board of Directors in the meeting held on 27th May,2017 has recommended a final dividend of Re.0.125 per Equity Share of Re.1 each, subject to the approval of members in the ensuing Annual General Meeting.

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

Particulars	As at 31st March 2017			As at 31st March 2016		
	% of share holding	Number of Shares held	Amount	% of share holding	Number of Shares held	Amount
Share Capital						
KLR Products Limited., Holding Company	**72.77%**	**113,623,500**	**1,136.24**	72.88%	113,623,500	1,136.24

e) Equity Shares reserved for issue under employee stock options outstanding as at the end of the year :

Summary of Stock Option	No. of Stock Options
Options Reserved	11,50,000
Options Outstanding as on 01.04.2016	9,30,000
Options granted during the year	Nil
Options forfeited / lapsed during the year	Nil
Options exercised during the year	2,32,500
Options Outstanding as on 31.03.2017	6,97,500
Options vested but not exercised as on 31.03.2017	Nil

Note No. 4: Reserves & Surplus Rs. in Lakhs

Particulars			As at 31st March 2017	As at 31st March 2016
a)	**Capital Reserve**			
	Opening Balance		**37.06**	37.06
	Transfer		**0.00**	0.00
	Utilised		**0.00**	0.00
	Closing Balance	**Sub Total (a)**	**37.06**	37.06
b)	**Securities Premium Account**			
	Opening Balance		**178.54**	178.54
	Add : Securities premium credited on Share issue		**37.35**	0.00
	Closing Balance	**Sub Total (b)**	**215.89**	178.54
c)	**General Reserve**			
	Opening Balance		**4,175.00**	4,175.00
	Add: Transferred from surplus		**0.00**	
	Deductions during the year		**0.00**	0.00
	Closing Balance	**Sub Total (c)**	**4,175.00**	4,175.00
d)	**Surplus**			
	Opening balance		**12,613.21**	11,827.28
	Add: Net Profit/(Net Loss) For the current year		**3,713.87**	973.58
	Amount available for appropriations		**16,327.08**	12,800.86
	Less: Final Dividends		**0.00**	187.65
	Closing Balance	**Sub Total (d)**	**16,327.08**	12,613.21
	Total (a to d)		**20,755.03**	17,003.81

Note No. 5: Long-term borrowings Rs. in Lakhs

Particulars	Non Current		Current	
	As at 31st March 2017	As at 31st March 2016	**As at 31st March 2017**	As at 31st March 2016
Long-term borrowings -				
Secured:				
a) Term loans from (Refer Note No.a to f)				
- Banks (Rupee Loans)	**2,953.35**	3,464.55	**1,504.17**	1,582.50
- Other parties.	**0.00**	0.00	**0.00**	0.00
Un Secured:				
b) Deferred payment liabilities. (Refer Note No (g)	**54.41**	90.36	**35.96**	75.05
Total	**3,007.76**	3,554.91	**1,540.12**	1,657.55

Notes :

a) Term Loan availed from State Bank of India is secured by way of first charge on fixed assets of the company and second charge on current assets of the company along with other working capital lenders.

b) Working Capital Term Loans availed from New India Co-operative Bank Ltd are secured by way of first charge on fixed assets of the company and other movable assets on pari passu basis with other term loan lendors.

c) Term Loan availed from SVC Co-Op Bank Ltd is secured by way of first charge on fixed assets of the company and Second charge on current assets to be shared with other term lenders.

d) Corporate Loan from SVC Co-Operative Bank Ltd. outstanding at Rs.2667 lakhs included in Term Loans from Banks above, is guaranteed by Smt. K.Lakshmi Raju a Director of the company.

e) All Credit facilities extended by State Bank of India are further secured by pledge of Promoter Shareholding equal to 30% of the Company's equity

f) Terms of Repayment : (Rs. in Lakhs)

Bank / Institution		Terms of repayment			
		Balance principal amount as on 31.03.2017	Number of Instalments	Frequency	Repayment Commencing from
	New-India Co-operative Bank Ltd.	**437.50**	8	Quarterly	Jul-16
	New-India Co-operative Bank Ltd.	**525.00**	8	Quarterly	Jan-17
	New-India Co-operative Bank Ltd.	**750.00**	8	Quarterly	Dec-17
	New-India Co-operative Bank Ltd.	**50.00**	8	Quarterly	Mar-18
	SVC Co-Op Bank Ltd	**2,666.67**	18	Quarterly	Oct-16
	Total	**4,429.17**			

g) Deferred payment liabilities.

Vide Revised order No.10/1/9/0023/0387/ID dated 31.01.2001 the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Acephate and Profenofos for a period of fourteen years commencing from 28.09.1997 for Acephate and from 23.02.2000 for Profenofos subject to a maximum of Rs.1028.55 Lacs. The Sales Tax deferred in a year is payable at the end of 14th year without interest. Since financial year 2006-07 the company has decided not to avail the Sales Tax deferment. First repayment commenced from 25.09.2013 as prescribed in the order. Based on the Sales Tax Returns the sales tax so deferred aggregates to Rs.90.36 Lacs as at the balane sheet date. (Previous Year Rs. 165.41 Lacs).

Note No. 6: Deferred Tax Liabilities (Net) (Rs. in Lakhs)

	Particulars	As at 31st March 2017	As at 31st March 2016
a)	**Deferred tax liability comprise the following:**		
	Fixed assets-(Depreciation)	2,282.20	1,872.37
	Others	0.00	0.00
	Total (a)	2,282.20	1,872.37
b)	**Deferred tax Assets comprise the following:**		
	Disallowances as per Section 43B and Section 40(a) of the Income Tax Act, 1961	-	-
	Unabsorbed depreciation as per tax laws	96.37	71.48
	Total (b)	96.37	71.48
	Total Net (a-b)	2,185.83	1,800.89

Note No. 7: Other Long Term Liabilities (Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Trade Deposits from Dealers	**1,303.93**	1,359.73
Others	**-**	-
Total	**1,303.93**	1,359.73

Note No.8: Long-Term Provisions (Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for Employee Benefits		
Leave Encashment (unfunded)	**265.88**	202.36
Total	**265.88**	202.36

Note No.9: Short-Term Borrowings (Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
(i) Short -term borrowings :		
Secured:		
(a) Loans Repayable on Demand from Banks.*	**16,761.23**	18,030.11
UnSecured:		
(a) Other parties.	**-**	-
Total	**16,761.23**	18,030.11

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

Note No.10: Trade Payables (Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Trade Payables		
MSMED Vendors (Refer Note No.a)	**0.00**	0.00
Others	**13,506.54**	10,688.07
Total	**13,506.54**	10,688.07

Note:

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

Note No.11: Other Current Liabilities (Rs. in Lakhs)

Particulars		As at 31st March 2017	As at 31st March 2016
a)	**Secured**		
	Current maturities of long term borrowings (Refer Note No.5 (a to f))	**1,504.17**	1,582.50
	Interest accrued but not due (Refer Note No.5 (a to f))	**60.04**	50.55
	Interest accrued and due (Refer Note No.5 (a to f))	**0.00**	0.00
b)	**Unsecured:**		
	Capital Creditors	**187.30**	243.48
	Un claimed Dividends (Refer Note No.a)	**29.22**	47.45
	Advances from customers-Domestic	**1,761.75**	1,526.77
	Other Liabilities	**1,151.93**	879.44
	Deferred payment liabilities.(Refer Note No.5 g)	**35.96**	75.05
	Total	**4,730.37**	4,405.24

Note:

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

Note No.12: Short Term Provisions (Rs. in Lakhs)

Particulars		As at 31st March 2017	As at 31st March 2016
a)	**Provision for employee benefits**		
	I.Gratuity		
	Funded liability net of planned assets	**165.05**	6.45
	Others	**94.44**	196.10
	Total for Gratuity	**259.49**	202.55
	II.Leave Encashment (unfunded)	**5.31**	4.19
b)	**Provision for**		
	Income Tax	**571.85**	0.00
	Wealth Tax	**0.00**	0.00
	Corporate Dividend Tax	**0.00**	31.74
c)	**Other Provisions**	**1,244.00**	2,126.53
d)	**Proposed Equity Dividend**	**-**	155.91
	Total	**2,080.65**	2,520.92

Note No.13: Fixed Assets												Rs. in Lakhs
Particulars		Gross Block				Accumulated Depreciation/Amortisation					Net Block	
		Balance as at 01st April 2016	Additions	Sales / adjust-metns	Balance as at 31st March 2017	As at 1st April'2016	for the year	Adjustment due to revaluations/ transfers	Sales / adjust-metns	Balance as at 31st March 2017	Balance as at 31st March 2017	Balance as at 31st March 2016
a	**Tangible Assets**											
	Land	441.60	0.00		**441.60**	0.00	0.00			**0.00**	**441.60**	441.60
	Buildings	5,309.73	51.86	530.68	**4,830.91**	1,633.61	153.52	0.00	135.41	**1,651.72**	**3,179.19**	3,676.12
	Plant and Equipment	31,000.04	377.25	3.22	**31,374.07**	19,632.73	2,349.47		2.08	**21,980.12**	**9,393.95**	11,367.31
	Furniture and Fixtures	594.82	6.88	9.33	**592.37**	271.41	54.96	0.00	9.04	**317.33**	**275.04**	323.41
	Vehicles	146.88	47.01	20.75	**173.15**	102.82	12.80		16.57	**99.05**	**74.10**	44.06
	Office equipment	227.65	26.97	37.50	**217.12**	179.07	15.68	0.00	34.64	**160.11**	**57.01**	48.58
	Computers & peripherals	519.34	98.44	42.25	**575.53**	417.39	46.16	0.00	35.62	**427.93**	**147.60**	101.95
	Total	38,240.06	608.42	643.73	**38,204.75**	22,237.03	2,632.60	0.00	233.36	**24,636.27**	**13,568.49**	16,003.04
	Less : Depreciation Capitalised during the year						139.56					
	Depreciation taken to Statement of Profit and Loss						2,493.04					
Note No.14												
b	**Intangible Assets**											
	Goodwill	121.40	0.00		**121.40**	121.40	0.00	0.00		**121.40**	**0.00**	0.00
	SAP Upgradation licence / Implementation fee	324.20	0.00		**324.20**	238.37	85.83	0.00		**324.20**	**0.00**	85.83
	R&D Projects	770.44	440.78	199.10	**1,012.12**	189.03	244.48	0.00	73.21	**360.30**	**651.82**	581.41
	Technical Knowhow	65.00	0.00		**65.00**	65.00	0.00	0.00		**65.00**		
	Total	1,281.04	440.78	199.10	**1,522.72**	613.80	330.30	0.00	73.21	**870.90**	**651.82**	667.24
Note No.15												
c	**Capital Work In Progress**										**281.23**	233.21
d	**Intangible Assets under development**										**405.11**	338.92
	Total										**686.34**	572.13
	Total	39,521.10	1,049.20	842.83	**39,727.47**	22,850.82	2,823.35	0.00	306.56	**25,507.16**	**14,906.65**	17,242.41
	Previous Year	37,676.77	1,952.78	108.45	**39,521.10**	20,107.17	2,676.22	0.00	65.84	**22,850.83**	**17,242.41**	18,756.55

Note No.16: Non-Current Investments

Rs. in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Un quoted		
a) Associate : (Trade Investments)		
Nasense Labs Pvt.Ltd.,(Formerly USP Organics Pvt Ltd)	**493.60**	493.60
(49,36,052 Equity shares of Rs.10/- each,Previous year 49,36,052)		
Add : Share of Profit for the current year	**105.14**	91.36
Add : Share of Profit for the previous years	**252.18**	160.82
Net Value of Investment	**850.92**	745.78
b) Others : (Non-Trade Investments)		
Nagaarjuna Shubho Green Technilogies Private Ltd.	**500.00**	500.00
(5,00,000 10% Cumulative Redeemable PreferenceShares of Rs.100/- each, Previous year 5,00,000)		
New India Co Operative Bank Ltd	**5.00**	5.00
(50,000 Equity Shares of Rs.10/- each,Previous year 50,000)		
SVC Co Operative Bank Ltd		
(100 Equity Shares of Rs.25/- each,Previous year 100)	**0.03**	0.03
Total (Aggregate amount of unquoted investments)	**1,355.95**	1,250.81

Note No.17: Long-Term Loans and Advances

Rs. in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
(Unsecured, considered good)		
Loan to an associate company - Nasense Labs Pvt.Ltd.,	**167.00**	167.00
Income tax (net of provisions) - Advance / paid under protest	**0.00**	497.40
Prepaid expenses	**1.01**	2.51
Deposits with government, public bodies and others	**21.53**	21.53
Electricity and other deposits	**213.64**	209.66
Balance with customs, central excise etc.,	**15.63**	15.63
Rental and Other deposits (Refer Note 17 (a))	**113.03**	115.76
Telephone Deposit	**0.00**	1.18
TOTAL	**531.84**	1,030.67

Note 17 (a) : Includes Rs.50.15 lakhs (previous year Rs.50.15 lakhs) with Smt.K.Lakshmi Raju, a Director of the Company

Rs. in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Raw materials [including in transit Rs.525.59 lakhs (previous year 513.36 lakhs)]	**5,960.54**	6,196.01
Work-in progress	**787.05**	708.35
Finished goods	**11,729.91**	9,635.09
Stock of Traded Goods	**1,505.83**	719.68
Packing materials	**575.24**	592.13
Stores and Spares	**614.32**	463.23
Total	**21,172.89**	18,314.49

Note No.19: Trade Receivables

Rs. in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Unsecured and considered good :		
Due for a period more than six months	**2,145.08**	2,059.03
Others	**21,466.34**	16,768.04
Total	**23,611.42**	18,827.07

Note No.20: Cash and Cash equivalents

Rs. in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
a) Cash on hand	**5.26**	17.58
b) Balances with banks*		
1) In current accounts		
-Rupee accounts	**22.70**	982.88
-Foreign currency accounts	**744.25**	314.05
2) Earmarked accounts - Unclaimed dividend	**29.23**	47.45
3) Bank Deposits with more than 12 months maturity	**1.00**	1.00
TOTAL:	**802.44**	1,362.96

Note No.21: Short-Term Loans and Advances

Rs. in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Unsecured and considered good :		
Advance income taxes & TDS (net of provisions)	**582.28**	280.05
Prepaid expenses	**167.94**	185.63
Loans and advances to employees	**3.68**	2.64
Balance with customs, central excise etc.,	**391.91**	531.92
Capital Advances	**77.08**	86.38
Advance to material Suppliers and Others	**997.22**	842.61
MAT credit Available	**1,094.98**	
Trade Advance to Related parties (Refer Note No.41 B)	**295.11**	427.46
TOTAL	**3,610.20**	2,356.69

Rs. in Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
Interest accrued on Deposits & Others	**123.14**	106.84
Insurance Claims Receivable	**20.02**	627.04
Other Receivables	**9.12**	6.18
TOTAL	**167.28**	740.06

Note No. 23: Revenue from operation **Rs. in Lakhs**

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
a) Sale of products;		
- Agri Inputs	**82,863.81**	76,080.92
b) Other operating revenues;		
- Conversion charges	**97.19**	400.90
- Income from Operations	**10.13**	31.47
- Other Operating Income	**573.13**	913.25
TOTAL :	**83,544.26**	77,426.54

Note No. 24: Other income **Rs. in Lakhs**

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
(a) Interest Income	**79.73**	48.57
(b) Other non-operating income		
- Excess Provisions Written Back	**163.32**	692.74
- Profit on sale of Fixed Assets	**6.19**	13.14
- Bad Debts written off recovered	**39.87**	19.33
- Dividends received on investments	**0.65**	0.60
- Others	**1,395.37**	1,081.42
TOTAL :	**1,685.13**	1,855.80

Note No. 25: Cost of materials consumed **Rs. in Lakhs**

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Raw-Material Consumption	**38,931.20**	35,407.74
Packing-Material Consumption	**4,608.31**	4,245.10
Total:	**43,539.51**	39,652.84

Note No. 26: Changes in inventories of finished goods, work-in- progress and Stock-in-trade **Rs. in Lakhs**

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Opening work-in progress	**708.35**	475.77
Opening finished goods	**9,635.09**	10,560.66
Total:	**10,343.44**	11,036.43
Closing work-in progress	**787.05**	708.35
Closing finished goods	**11,729.91**	9,635.09
Total:	**12,516.96**	10,343.44
Net (increase)/decrease in stock	**-2,173.52**	692.99

Rs. in Lakhs

Note No. 27: Employee benefits expense

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Salaries, wages and bonus	**5,512.99**	4,854.96
Contribution to provident and other funds	303.20	266.80
Workmen and staff welfare expenses	493.42	422.65
Total:	6,309.61	5,544.41

Note No. 28: Finance Costs **Rs. in Lakhs**

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
(i) Interest on term loans	**588.89**	453.68
(ii) Interest on working capital loans	**1,894.83**	1,865.99
(iii) Interest - others	**644.89**	714.13
(iv) Bank charges	**337.49**	351.58
(v) Financial charges	**307.15**	317.64
Total :	**3,773.25**	3,703.02

Note No. 29: Depreciation and Amortization Expenses **Rs. in Lakhs**

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
(Refer Note No. 13 to15)		
Tangible Assets	**2,493.05**	2,472.54
Intangible Assets	**330.30**	203.68
TOTAL	**2,823.35**	2,676.22

Note No. 30: Other Expenses **Rs. in Lakhs**

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Consumption of stores and spare parts.	**633.96**	483.72
Repairs and maintenance		
-Buildings.	**58.00**	44.50
- Plant & Machinery.	**60.09**	52.64
- others	**21.75**	26.59
Other manufacturing costs	**1,546.33**	1,337.37
Power and fuel.	**2,734.55**	2,814.90
Rent.	**301.68**	285.67
Rates and taxes, excluding, taxes on income.	**107.21**	60.11
Communication expenes	**107.87**	108.03
Travel & conveyance	**1,189.96**	1,225.05
Technical consultancy	**65.36**	97.24
Legal & Professional Charges	**249.50**	255.31
Insurance .	**295.89**	219.61
Directors' sitting fees	**8.13**	11.17
Auditors' Remuneration		
- Audit Fee	**18.25**	18.25
- Taxation matters	**4.00**	4.00
- Certification Fees	**4.35**	3.75
- Out of Pocket expneses	**0.15**	0.27
Cost Audit fee	**4.35**	4.25
S.A.P. annual maintenance	**34.13**	33.71
R&D and product development expenses	**39.26**	63.12
Miscellaneous expenses	**623.74**	534.02
Foreign Exchange Fluctuation (Net of Gain of 140.09 Lakhs)	**25.76**	333.18
Loss on sale/retirement of fixed assets	**130.15**	26.20
Bad debts written off	**654.21**	548.20
Marketing expenses	**4,262.17**	3,614.35
Freight outward	**1,862.65**	1,699.52
Export and export related expenses	**259.78**	227.30
TOTAL	**15,303.23**	14,132.03
DUTIES AND TAXES		
Excise Duty	**10,440.45**	8,377.13
Less : Adjusted to Turnover	**10,062.09**	8,255.56
Total	**378.36**	121.57
TOTAL :	**15,681.58**	14,253.60

31. Commitments/ Contingent Liabilities **(Rs. in lakhs)**

S. No	Particulars	As at 31.03.2017 Rs.In lakhs	As at 31.03.2016 Rs.In lakhs
a)	Commitments/ Contingent Liabilities		
	(i) Letters of Credit issued by Bankers	**6672.53**	6510.95
	(ii) Counter Guarantees given to Bankers	**354.60**	270.00
b)	Claims against the Company not acknowledged as debts in respect of		
	(i) Disputed Excise Duty (Payments made under protest Rs.14.86 Lakhs)	**35.13**	35.13
	(ii) Disputed Service Tax (Payments made under protest Rs.3..52 Lakhs)	**56.43**	58.80
	(iii) Disputed Income Tax Demands (Payments made under protest Rs.430.40 Lakhs)	**430.40**	430.40
	(iv) Disputed Sales Tax Demands (Payments made under protest Rs.35.68Lakhs)	**23.32**	30.38
c)	Others	**124.57**	124.57
d)	Estimated amount of contracts, remaining to be executed on Capital account and not provided for (net of advance)	**71.09**	113.39

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

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

33. Information pursuant to section 129(3) of the Companies Act,2013

Statement of financial information of the subsidiary companies for the period ended 31.03.2017 :

(Rs. in lakhs)

S. No.	Particulars of the Subsidiary	Name of the Subsidiary	
		LR Research Laboratories Private Limited	**Nagarjuna Agrichem (Australia) Pty. Limited.**
1.	**Financial period of the Subsidiary**	**01.04.2016 to 31.03.2017**	01.04.2016 to 31.03.2017
2.	**Shares of the Subsidiary held by the Company on the above date**	**10000**	49395
	(a) Number of shares	**10000**	49395
	(b) Face value	**Equity shares of Rs.10/-each**	Equity shares of AUS $.1/-each
	(c) Holding in percentage	**100%**	100%
3.	Net Aggregate amount of profit / losses of the Subsidiary for the above financial period of the subsidiary so far they concern members of the Company:		
	(a) dealt with in the accounts of the company for the period ended 31st March, 2017 (previous year ended 31st March, 2016)	**(2.86)**	(6.92)
	(b) not dealt with in the accounts of the company for the period ended 31st March,2017 (previous year ended 31st March, 2016)	**NIL**	NIL
4.	Net aggregate amount of Profit / losses of the subsidiary since it became a subsidiary so far as they concern members of the Company.		
	(a) dealt with in the accounts of the company for the period ended 31st March, 2017 (previous year ended 31st March, 2016)	**(2.86)**	(6.92)
	(b) not dealt with in the accounts of the company for the period ended 31st March, 2017 (previous year ended 31st March, 2016)	**NIL**	NIL

34. The Details Of The Subsidiaries in terms Of General Circular 2/2011 dated 08Th February, 2011 issued by the Government of India, Ministry Of Corporate Affairs For The period 31.03.2017 Is as under:

S. No.	Particulars of the Subsidiary	Name of the Subsidiary	
		LR Research Laboratories Private Limited	Nagarjuna Agrichem (Australia) Pty. Limited.
01.	Share Capital	1.00	24.52
02.	Reserves and surplus	(3.26)	(30.82)
03.	Total Assets	10.07	0.00
04.	Total Liabilities	10.07	0.00
05.	Details of Investments	-	-
06.	Turnover and other income	-	-
07.	Profit / Losses before taxation	(2.86)	(6.92)
08.	Provisions for taxation	-	-
09.	Profit /Losses after taxation	(2.86)	(6.92)
10.	Proposed dividend	-	-

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

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

36. A. Raw Material Consumed:

Particulars	**2016-17**	2015-16
	Value Rs.in Lakhs	Value Rs.in Lakhs
Raw Material *	**38931.20**	35407.74
Total:	**38931.20**	**35407.74**

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

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

Particulars	**2016-17**		2015-16	
	Rs. in Lakhs	**%**	Rs. in Lakhs	%
Imported	**15831.11**	**40.66**	15030.44	42.45
Indigenous	**23100.09**	**59.34**	20377.30	57.55
Total:	**38931.20**	**100.00**	35407.74	100.00

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

Particulars	2016-17		2015-16	
	Rs.in Lakhs	**%**	Rs.in Lakhs	%
Indigenous	**519.78**	**100**	410.17	100
Imported	**---**	**---**	---	---

D. Value of Imports Calculated on CIF Basis

Particulars	**2016-17 Rs.in Lakhs**	2015-16 Rs.in Lakhs
Raw Material	**13124.55**	14997.03
Capital Goods	**76.05**	76.27

E. Expenditure in Foreign Currency

Particulars	**2016-17 Rs.in Lakhs**	2015-16 Rs.in Lakhs
Traveling Expenses	**32.95**	37.81
Consultancy Charges	**21.12**	68.78
Others including Commission	**39.92**	62.58

F. Earnings in Foreign Exchange

Particulars	**2016-17 Rs.in Lakhs**	2015-16 Rs.in Lakhs
Export of Goods on FOB basis	**10352.16**	14208.83

37 Payments to Auditors:

S.No.	Particulars	**2016-17 Rs.in Lakhs**	2015-16 Rs.in Lakhs
1	Statutory Audit *	**18.25**	18.25
2	Tax Audit *	**4.00**	4.00
3	Certification *	**4.35**	3.75
4	Out of Pocket Expenses	**0.15**	0.27
	Total:	**26.75**	**26.27**

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

38. Expenditure on Research & Development.

Particulars	**2016-17 Rs.in Lakhs**	2015-16 Rs.in Lakhs
(A) Revenue expenditure capitalized during the year from respective heads :		
-Salaries & Wages	**142.01**	146.52
-Contribution to PF etc	**9.08**	9.21
-Staff Welfare Expenses	**9.07**	8.92
-Chemicals Consumption	**54.84**	49.88
-Travel & Conveyance	**2.15**	5.00
-Communication	**0.41**	2.32
-Consultancy Charges	**76.86**	58.10
-Depreciation	**139.56**	133.27
-Repairs	**14.63**	9.83
-Electricity	**45.62**	39.87
-Other Expenses	**21.63**	42.44
Total(A):	**515.86**	**505.37**
(B) Capital Expenditure	**101.90**	117.22
Total Capital Expenditure (A) + (B):	**617.76**	**622.59**
(C) Other Revenue Expenditure	**95.34**	75.46

39. Insurance Claim

The company has recognized as income in the accounts the entire amount of claims received of Rs 45.65 Cr being the aggregate of insurance proceeds of Rs 32.44 Cr received during the year, Rs 10.00 Cr being the on-account insurance proceeds received and credited to Claims Receivable account and Rs 3.21 Cr being the sale proceeds of scrap credited to claims receivable account, in earlier years.

Consequently, the company has also recognized as expenses in the accounts Rs 20.08 Cr comprising fully damaged assets written off Rs 14.16 Cr, Work-in-progress written off Rs.1.31 crs and other expenses of Rs.0.66 crs arising out of the said accident and accounted under claims receivable so far. Further damages arising from the said accident assessed during the year at Rs.3.95 crs have also been expensed in these accounts. The net effect of Rs.25.57 crs has been disclosed as Exceptional Item.

The Company has contested the claim amount paid by the Insurance Company and initiated the Arbitration proceedings..

40. Borrowing Cost

Borrowing cost capitalized during the year is **nil** (Previous year nil)

41. Related Party Transactions (Disclosure as required by AS-18 "Related Party Disclosures) :

A. **Names of related parties and description of relationship.**

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

B. **Related Party transactions are as under:**

(Rs. in Lakhs)

Sl No	Transaction	Subsidiary company		Associates		Key Management Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Individuals who, indirectly have control on the voting power in the company & their relatives		Enterprises under the significant influence of persons having significant influence over this company	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
A)	**TRANSACTIONS DURING THE YEAR**												
1.	Sales	**-**	-	**-**	22.99	**-**	-	**0.76**	-	**-**	-	**31.33**	-
2.	Purchases goods	**-**	-	**-**	-	**-**	-	**19.70**	-	**-**	-	**398.64**	1119.38
3.	Conversion charges (Indo Inter national Fertilisers Ltd.)	**-**	-	**-**	-	**-**	-	**225.00**	120.00	**-**	-	**-**	-

Sl No	Transaction	Subsidiary company		Associates		Key Management Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Individuals who, indirectly have control on the voting power in the company & their relatives		Enterprises under the significant influence of persons having significant influence over this company	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
4.	Consultancy Charges	**60.84**	30.52	-	-	-	-	-	-	-	-	-	-
5.	Building , Equipment & Godown rents – Expense	-	-	-	-	-	-	-	-	**128.80**	127.79	-	-
6.	Godown rent-Income	-	-	-	-	-	-	-	-	-	-	**6.00**	6.00
7.	Managerial Remune ration	-	-	-	-	**80.68**	76.61	-	-	-	-	-	-
8.	Director sitting fee	-	-	-	-	-	-	-	-	**1.35**	1.25	-	-
9.	Advance payments	-	-	-	-	-	-	-	-	-	-	-	-
10.	Investments	**6.51**	10.28	-	-	-	-	-	-	-	-	-	-
B)	**BALANCE AS AT 31st MARCH**												
11.	Credit balances outstanding as on 31st March	-	3.11	-	-	-	-	-	-	-	-	**114.89**	224.03
12.	i)Trade Debit balances outstanding as on 31st March	**2.98**	-	-	24.00	-	-	**292.12**	427.46	-	-	-	-
	ii) Debit balances (Unsecured Loan) outstanding as on 31st March	-	-	**265.32**	234.61	-	-	-	-	-	-	-	-
13.	Rental Deposits (Debit balance)	-	-	-	-	-	-	-	-	**50.15**	50.15	-	-
14.	Total Investment as on 31st March	**25.53**	19.02	**493.60**	493.60	-	-	**500.00**	500.00	-	-	-	-

42. The remuneration has been paid to the Managing Director in accordance with the Sections 196, 197,198 and other applicable provisions of The Companies Act, 2013.

43 Earnings per Share : The computation of EPS is as follows **(Rs.in Lakhs)**

Sl. No	Particulars	2016-17	2015-16
	Profit / (Loss) for the year after Tax	**3713.87**	973.57
	No. of Equity Shares of Re.1/- each :		
	(a) Basic	**15,61,44,008**	15,59,11,508
	Add : Dilutive Effect of Employees Stock Options	**3,70,206**	4,93,697
	(b) Diluted	**15,65,14,214**	15,64,05,205
	Earnings Per Share in Rs.		
	(a) Basic	**2.38**	0.62
	(b) Diluted	**2.37**	0.62

44 Employee Benefit Obligations

A) Defined Contribution Plan:

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

Contribution to defined contribution plan is recognized and charged off for the year as follows: **(Rs. In Lakhs)**

Particulars	FY 20116-17	FY 2015-16
Employer's contribution to Provident Fund	**131.23**	116.35
Employer's contribution to Pension Scheme	**135.49**	119.32

B) Defined Benefit Plan:

Liability for retirement gratuity as on March 31, 2017 is funded with Life Insurance Corporation of India. Liability for Gratuity has been actuarially determined and provided in the books. The details are given below. **(Rs.in Lakhs)**

S.No.	Particulars	31/03/2017	31/03/2016
1	**Actuarial Assumptions**		
	Discount Rate	**8%**	8%
	Salary Escalation	**6%**	4%
	Attrition Rate	**1-3%**	1-3%
	Mortality Table	**LIC (2006-08)**	LIC (1994-96)
	Retirement Age	**58 Years**	58 Years
2	**Table Showing changes in present value of Obligation as on 31/03/2017**		
	Present value of obligations as at beginning of year	**291.51**	318.22
	Interest cost	**23.32**	25.46
	Current Service Cost	**38.97**	41.45
	Benefits Paid	**(41.57)**	(43.60)
	Actuarial (gain)/ loss on obligations	**195.94**	(54.59)
	Present value of obligations as at end of year	**508.17**	286.92
3	**Table showing changes in the fair value of plan assets as on 31/03/2017**		
	Fair value of plan assets at beginning of year	**287.12**	300.73
	Expected return on plan assets	**24.79**	23.34
	Contributions	**72.78**	-
	Benefits Paid	**(41.57)**	(43.60)
	Actuarial gain/(loss) on Plan assets	**-**	-
	Fair value of plan assets at the end of year	**343.11**	287.12

S.No.	Particulars	31/03/2017	31/03/2016
4	**Table showing fair value of plan assets**		
	Fair value of plan assets at beginning of year	**287.12**	300.73
	Actual return on plan assets	**24.79**	23.34
	Contributions	**72.78**	-
	Benefits Paid	**(41.57)**	(43.60)
	Fair value of plan assets at the end of year	**343.11**	280.47
	Funded status	**(165.05)**	(6.45)
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March	**-**	-
5	**Actuarial Gain/Loss recognized**		
	Actuarial (gain)/ loss on obligations	**(195.94)**	54.59
	Actuarial (gain)/ loss for the year - plan assets	**-**	-
	Actuarial (gain)/ loss on obligations	**195.94**	(54.59)
	Actuarial (gain)/ loss recognized in the year	**195.94**	(54.59)
6	**The amounts to be recognized in the balance sheet and statements of profit and loss**		
	Present value of obligations as at the end of year	**508.17**	286.92
	Fair value of plan assets as at the end of the year	**343.11**	280.47
	Funded status	**(165.05)**	(6.45)
	Net asset/(liability) recognized in balance sheet	**(165.05)**	(6.45)
7	**Expenses Recognised in statement of Profit and loss**		
	Current Service cost	**38.97**	41.45
	Interest Cost	**23.32**	25.46
	Expected return on plan assets	**(24.79)**	(23.34)
	Net Actuarial (gain)/ loss recognized in the year	**195.94**	(54.59)
	Past Service Cost	**-**	-
	Expenses recognised in statement of Profit and loss	**233.43**	(11.02)

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

C) "Nagarjuna Agrichem Ltd.-Employee Stock Option Scheme-2015"

i) The "Nagarjuna Agrichem Ltd.-Employee Stock Option Scheme-2015" (hereinafter referred to as "ESOS-2015") was approved by the Shareholders in the 28th Annual General Meeting of the Company held on 28th September, 2015 and is being administered by the Compensation Committee of the Board of Directors, set up for the purpose

ii) Under the ESOS-2015, 11,50,000 options have been reserved to be issued to the eligible employees, with each option conferring a right upon such employee to apply for one equity share of Re.1/- each of the Company. The options granted under the Scheme would vest after a minimum period of one year from the date of grant and may spread over a maximum period of five years after the aforesaid one year. The options granted to the employees would be capable of being exercised within a period, of two years from the date of vesting

iii) Pursuant to ESOS-2015, the Company, during the year 2015-16, has granted 9,30,000 (Nine Lakhs Thirty Thousand Only) options with a vesting period spread over maximum period of five years commencing after the aforesaid one year from the date of grant. The exercise price of Rs. 8/- (Rupees Eight Only) per share being less than the closing market price prevailing on the date prior to the date of grant, there arises deferred compensation cost which is to be suitably amortized over the period during which the vested options are to be exercised, in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. Accordingly an amount of Rs.21.08 lakhs has been accounted in the books of account as deferred compensation cost.

iv) Summary of Stock Option

Summary of Stock Option	No. of Stock Options
Options Reserved	11,50,000
Options Outstanding as on 01.04.2016	9,30,000
Options granted during the year	Nil
Options forfeited / lapsed during the year	Nil
Options exercised during the year	2,32,500
Options Outstanding as on 31.03.2017	6,97,500
Options vested but not exercised as on 31.03.2017	Nil

v) Information in respect of options outstanding as at 31st March, 2017

Particulars	Date of grant	Exercise price Rs.	No. Of options	Fair value as on 31.03.2016 Rs.
Grant 1	29.09.2015	8.00	8,70,000	13.33
Grant 2	06.11.2015	8.00	60,000	14.10

vi) The Fair Value has been calculated using the Black Scholes Options Pricing model and the significant assumptions made in this regard as follows :

Particulars	As at 31.03.2017		As at 31.03.2016	
	Grant-1	Grant-2	Grant-1	Grant-2
Risk free Interest Rate	7.10%	7.10%	7.10%	7.10%
Expected Life (Years)	6	6	6	6
Expected Volatility	72.8%	72.8%	72.8%	72.8%
Dividend Yield	0.54%	0.54%	0.54%	0.54%
Price of the underlying share in market at the time of the Option grant (Rs.)	17.00	17.85	17.00	17.85
Weighted Average Share price at the date of exercise	17.92	17.92	17.92	17.92
Weighted Average Remaining Contractual Life	4 1/2 Years	4 1/2 Years	-	-

Assumptions :
Stock Price : Closing price on BSE on the previous date to the date of grant has been considered.
Volatility : The historical volatility over the expected life has been considered to calculate the fair value.
Risk-free rate of return : The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity nearly equal to the expected life of the options based on the zero-coupon yield curve Government Securities.
Exercise Price : Exercise Price of Rs.8 as per the ESOS-2015 considered.
Expected Life : Expected Life of options is the period for which the Company expects the option to be live.
Expected Dividend Yield :Expected dividend yield has been calculated as an average of dividend yields for the financial years preceding the date of grant.

45. **The year-end Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below:**

Particulars	Currency	March 31, 2017		March 31, 2016	
		In foreign currency	in Lakhs	In foreign currency	in Lakhs
Sundry Debtors	USD	**4920676**	**3297.04**	50,29,109	3,335.81
	EUR	**286425**	**204.21**	48,700	36.59
Cash and Bank Balances	USD	**1148539**	**744.25**	4,73,459	314.05
Trade Payables	USD	**4588104**	**3078.78**	31,62,440	2,101.76
	EUR	**85600**	**60.51**	-	-
Royalty	USD	-	-	25,000	16.62

Particulars	Currency	March 31, 2017		March 31, 2016	
		In foreign currency	in Lakhs	In foreign currency	in Lakhs
Borrowings	USD	**3207400**	**2082.89**	37,31,841	2,480.18
	EUR	**85600**	**59.37**	**-**	-
Advances receivables	**-**	**-**	**-**	**-**	-
Loans and advances to related parties	**-**	**-**	**-**	**-**	-

46. Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries / Associates

Name of the Enterprise	As at 31st March, 2017		For the year ended 31st March, 2017		As at 31st March, 2016		For the year ended 31st March, 2016	
	Net Assets i.e. total as sets minus total liabilities		Share in Profit or loss		Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount (Rs. Lakhs)	As % of consolidated net assets	Amount (Rs. Lakhs)	As % of consolidated profit or loss	Amount (Rs. Lakhs)	As % of con solidated profit or loss	Amount (Rs. Lakhs)
Parent								
Nagarjuna Agrichem Limited	**98.55**	**21993.1**	**97.43**	**3618.54**	98.77	18,334.90	92.20	897.59
Subsidiaries								
Indian								
1. LR Research Laboratories Private Limited	**(0.01)**	**(2.26)**	**(0.07)**	**(2.86)**	0.00	0.60	0.09	0.85
Foreign								
1.Nagarjuna Agrichem (Australia) Pty Limited, Australia	**(0.03)**	**(6.30)**	**(0.19)**	**(6.92)**	-0.03	-5.89	-1.67	-16.22
Minority Interests in all subsidiaries								
Associates (investments as per the equity method)								
Indian								
1.Nasanse Labs Pvt Ltd			**2.83**	**105.14**			9.38	91.35
Foreign								
Nil								
Adjustments arising out of consolidation	**1.49**	**331.94**			1.26	233.32		
Total	**100.00**	**22316.52**	**100.00**	**3713.89**	**100.00**	**18,562.93**	**100.00**	**973.57**

47. Particulars of Loans and Advances in the nature of Loans as required by Regulations 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs.in Lakhs)

Sl. No.	Name of the Company	Balance as at		Maximum Outstanding during	
		March 31, 2017	**March 31, 2016**	2016-17	2015-16
A	**Subsidiaries :**	**---**	**---**	**---**	---
	1) LR Research Laboratories Private Ltd.				
	2) Nagarjuna Agrichem (Australia) Pty. Ltd.	**---**	**---**	**---**	---`
B	**Associate :**				
	Nasense Labs Pvt. Ltd.	**167.00**	167.00	**167.00**	167.00

48. Particulars of Loans, Guarantees or Investments covered by Section 186 of the Companies Act, 2013 :

Loans, Guarantees given or Investments made as at 31st March, 2017.

Name of the entity	Relation	Loan given Rs. Lakhs	Outstanding Amount as at March 31st 2017 Rs. Lakhs	Particulars of Loans, Guarantees given	Purpose for which the loans are proposed to be utilized
Nasense Labs Pvt. Ltd.	Associate	250.00	**167.00**	Loan	For Operational Requirements

49. Disclosure on Specified Bank Notes (SBNs

Specified Bank Notes (SBN) and other denomination notes on hand as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of SBN held and transacted during the period from 8 November, 2016to 30 December, 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	2.46	7.51	9.97
(+) Permitted receipts	-	28.84	28.84
(-) Permitted payments	-	(30.44)	(30.44)
(-) Amount deposited in Banks	(2.46)	-	(2.46)
Closing cash in hand as on 30-12-2016	-	5.91	5.91

50. Balances in the accounts of various debtors, loans and advances and creditors are subject to reconciliation and confirmation.

51. Figures of the previous year have been re-grouped/recast wherever necessary to conform to the current year's presentation/ classification.

52. Figures are rounded off to the nearest thousands.

Signatures to Notes 1 to 52

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants
Firm Regn No: 000459S

For and on behalf of the board

V.Raghunandan
Partner
(Membership No.026255)

N.Vijayaraghavan
Director
(DIN:02491073)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place: Hyderabad
Date: 27th May, 2017

R.K.S.Prasad
Chief Financial Officer
(FCA 024958)

Satish Kumar Subudhi
Company Secretary & Head-Legal
(FCS 9085)

NAGARJUNA AGRICHEM LIMITED

CIN: L24219TG1986PLC016607

ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORM

(Members authorization to receive dividend through ECS mechanism)

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

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

Place: _____

Dated: _____ (Signature of First / sole Shareholder)

1) Please attach a Blank Cancelled Cheque or Photocopy of a Cheque. Alternatively, these particulars may be attested by the Bank Manager.
2) In case of more than one Regd. Folio/Demat Account, please complete the details separately for each such Folio / Demat Account.
3) The information provided would be utilized only for the purpose of effecting dividend payments meant for you. You also have the right to withdraw from this mode of payment by providing the Company with one month advance Notice.
4) Members of the Company holding the Shares in Dematerialized Form are requested to inform to their respective Depository Participant with regard to the following:
   (i) Changes in particulars of Bank Mandate / Address / PAN
   (ii) Correction in Name.
   These changes as updated by the respective depository participants are automatically registered with the NSDL / CDSL from whom the Company obtains data of its Members.
5) Please send the duly filled in mandate Form to:
   (i) the Depository Participant who is maintaining your Demat Account in case you hold shares in dematerialised form.
   (ii) the Company, at the Registered Office / its Registrar and Transfer Agent (RTA).

E-COMMUNICATION REGISTRATION FORM

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

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

Dear Sir,

Sub: Registration of E-mail

Folio No. / DP ID & Client ID: .....
Name of 1st Registered Holder: .....
Name of Joint Holder(s):.....
Registered Address:.....
.....
E-mail ID (to be registered): .....
I/We Shareholder(s) of Nagarjuna Agrichem Limited agree to receive communication from the Company in Electronic Mode. Please register my above e-mail id in your records for sending communication through E-mail.

Place: _____

Dated: _____ Signature: .....

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

This page has been intentionaly left blank

Notes

Notes

NAGARJUNA AGRICHEM LIMITED

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

FORM NO. MGT-11

PROXY FORM

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

Name of the Member(s) :.....

Registered address : .....

E-mail ID :.....

Folio No/DP ID - Client ID :.....

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

1. Name : .....
   Address :.....
   E-mail Id :.....
   Signature :.....or failing him
2. Name :.....
   Address :.....
   E-mail Id :.....
   Signature :.....or failing him
3. Name :.....
   Address :.....
   E-mail Id :.....
   Signature :.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company held at 03.00 p.m. on Saturday, 05th August, 2017 at Katriya Hotel, No.8,Raj Bhavan Road, Somajiguda, Hyderabad-500082, Telangana State India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	No. of shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
Ordinary Business:				
1.	To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2017, the Balance Sheet as on that date and the Cash Flow Statements (including the consolidated financial statements) for the year ended on that date and the Reports of Directors and Auditors thereon.			
2.	To declare dividend on equity shares for the financial year ended 31st March, 2017.			
3.	To appoint a Director in place of Mr.N.Vijayaraghavan (DIN:02491073) who retires by rotation and being eligible, offers himself for re-appointment.			
4.	To appoint auditors of the Company and to fix their remuneration.			
Special Business:				
5.	To ratify the remuneration of M/s K.Narasimha Murthy & Co., Cost Auditors of the Company.			
6.	Appointment of Mr.R.S.Nanda (DIN00008255), as an Independent Director			
7.	To appoint Mr.Sudhakar Kudva (DIN:02410695) as an Independent Director:			
8	To re-appoint Mr.V.Vijay Shankar (DIN:00015366) as Managing Director of the Company			
9.	To change the name of the Company to "NACL Industries Limited".			

Signed this .....day of August, 2017

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix `1/- Revenue Stamp

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

NAGARJUNA AGRICHEM LIMITED

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

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

ATTENDANCE SLIP

I hereby by record my presence at the 30th Annual General Meeting of the Company held at 03.00 p.m. on Saturday, 05th August, 2017 at Katriya Hotel, No.8,Raj Bhavan Road, Somajiguda, Hyderabad-500082, Telangana State India.

REGD. FOLIO NO/ CLIENT ID	NO.OF SHARES

Name of the Share holder (In block letters)

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



An MoU signed on 28th January, 2017 with the Govt. of A.P.
for setting up, of a greenfield Project.





Shandy Counters for product Promotion



NACL Product Demonstration in the field



NACL Chariot for Product Promotion

Nagarjuna Agrichem's 'STAR' Products



Nagarjuna Agrichem Limited

CIN:L24219TG1986PLC016607

Regd.Off.: Plot No.12-A, 'C' Block, Lakshmi Towers, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082, Telangana, India

Ph: 040-33605123, Fax:040-23350234/23358062

Website: www.nagarjunaagrichem.com, E-mail: cs-nacl@nagarjunaagrichem.com

Nagarjuna - Pride of the Indian Farmers...