



NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED
ANNUAL REPORT 2014-15



Board of Directors

K S Raju

Chairman

Chandra Pal Singh Yadav

Nominee of KRIBHCO

M P Radhakrishnan

Nominee of SBI

Pawan Kumar

Nominee of IFCI

Shailendra Govind Nadkarni

Nominee of IDBI Bank

Yogesh Rastogi

Nominee of ICICI Bank Ltd

D Ranga Raju

Lalitha Raghuram

N C B Nath

S R Ramakrishnan

K Rahul Raju

Managing Director

Registered Office

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

CIN : L24129AP2006PLC076238

Website

www.nagarjunafertilizers.com

Manufacturing Facilities

Urea

Kakinada, East Godavari Dist,
Andhra Pradesh

Micro-Irrigation

- a) Nacharam, Hyderabad,
Telangana
- b) Sadashivpet Mandal, Medak Dist,
Telangana
- c) Halol, Panchmahal Dist,
Gujarat

Auditors

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

Company Secretary

M Ramakanth

Notice

NOTICE IS HEREBY GIVEN THAT THE 9TH ANNUAL GENERAL MEETING OF NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED WILL BE HELD AT 10.00 HOURS ON TUESDAY, SEPTEMBER 29, 2015 AT SRI SATYA SAI NIGAMAGAMAM, 8-3-987/2, SRINAGAR COLONY, HYDERABAD - 500 073 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the 9th Annual Report of the Company, Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the Financial Year ended March 31, 2015, the Cash Flow Statement for the Financial Year ended March 31, 2015 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Chandra Pal Singh Yadav with DIN No. 00023382 who retires by rotation and is eligible for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution which will be proposed as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the consent of the Members be and is hereby accorded for the ratification of the appointment of Statutory Auditors of the Company, M/s. M Bhaskara Rao and Co., Chartered Accountants, Hyderabad, to hold office from the conclusion of the 9th Annual General Meeting up to the conclusion of the 10th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors during the term of appointment i.e., from the conclusion of the 8th Annual General Meeting to the conclusion of the 13th Annual General Meeting.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Ms. Lalitha Raghuram with DIN No. 07161344, who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Ms. Lalitha Raghuram for the office of Director of the Company, who meets the criteria for independence under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office upto the conclusion of the 14th Annual General Meeting, not liable to retire by rotation”
5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies

Act, 2013, Mr. D Ranga Raju with DIN No. 00066546, who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. D Ranga Raju for the office of Director of the Company, who meets the criteria for independence under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office upto the conclusion of the 14th Annual General Meeting, not liable to retire by rotation”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), Mr. Dantu Mitra, the Cost Auditor appointed by the Board of Directors of the Company, to conduct the Cost Audit in relation to the products - ‘Manufactured Fertilizer’ and ‘Micro Irrigation’ of the Company for the financial year ending March 31, 2016, be paid the remuneration as may be fixed by the Board of Directors of the Company.”
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and other applicable provisions and the Rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to approve the contribution not exceeding Rs. 2 crores during the Financial Year 2015-2016 to Nagarjuna Foundation, a Section 8 Company under the Companies Act, 2013 with Registered Office at D.No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082, to be paid in one or more tranches as required from time to time for undertaking Corporate Social Responsibility activities on behalf of the Company.”
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of Resolution No. 2 passed at the Extra-Ordinary General Meeting of the Company held on February 25, 2011 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to borrow any sum or sums of money from time to time which together with the loans obtained from the Company’s bankers in the ordinary course of business may exceed at any time in aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) upto a sum not exceeding Rs. 7500 crores (Rupees Seven Thousand Five Hundred crores only) and that the Directors be and

are hereby empowered and authorized to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise howsoever they may think fit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution.”

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

“RESOLVED THAT in supersession of Resolution No. 3 passed at the Extra-Ordinary General Meeting of the Company held on February 25, 2011 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to mortgage and/ or create charge on all immovable or movable properties or such other assets of the Company wherever situate, present or future and/or with the power to enter upon and take possession of the assets of the Company in certain events on such terms and conditions, and at such time or times and in such form or manner, as it may think fit, to or in favour of the Financial Institutions, Banks, Trustees for Debenture holders, Trustees of ECBs and/or Bonds issued/ proposed to be issued to secure the term loans, debentures, ECBs, Bonds and all other types of loans and/or indebtedness, together with interest, cost, charges, expenses and other monies including premium, payable in the above connection in terms of the agreement to be entered into between the Company and Financial Institutions, Banks, Trustees for Debenture holders, Trustees of ECBs and/or Bonds issued, such security to rank pari-passu with, or second or subservient to, the mortgages and/or charges already created or to be created by the Company or in such manner as may be agreed to between the concerned parties as may be thought expedient by the Board and further that the Board be and is hereby authorized to finalize and execute the documents and any other documents, papers and writings for creating the aforesaid mortgage and/or charges and to do all such acts, deeds and things, as may be necessary for implementing this execution”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this Resolution”

By Order of the Board

Hyderabad
July 23, 2015

M Ramakanth
Company Secretary
Membership Number : FCS 1851

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
3. Instrument of proxies in order to be effective must be deposited at the Company’s registered office not less than 48 hours before the meeting.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the company is providing remote e-voting facility to enable shareholders to cast their vote electronically on all the resolutions set forth in the Notice to the 9th Annual General Meeting to be held on Tuesday i.e., September 29, 2015 at 10.00 hours. The Company has engaged the services of Central Depository Services (India) Limited to provide remote e-voting platform to the shareholders.

Please refer to the detailed instructions on remote e-voting at page no. 104 of the Annual Report 2014-15.

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

5. Shareholders who do not have access to remote e-voting facility may use the enclosed Ballot Form and send their assent or dissent on or before close of business hours (5.30 PM) on September 28, 2015.
6. Members are requested to notify immediately the change, if any, of the address registered with the Company.
7. Members desiring to seek any information on the annual accounts are requested to write to the Company at an early date to enable compilation of information.
8. The Register of Members and the Share Transfer Books will remain closed from September 22, 2015 to September 29, 2015 (both days inclusive).
9. The Company has received approval for listing of 59,80,65,003 equity shares from Bombay Stock Exchange on December 14, 2011 and In-principle approval for listing from National Stock Exchange on January 13, 2012. The Company is awaiting relaxation from SEBI under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. Members may please refer to the Directors Report for more information on the matter.

10. The Company has paid the initial listing fees to The Bombay Stock Exchange and The National Stock Exchange of India Limited, Mumbai.
11. Members whose shareholding is in the electronic mode are requested to inform change of address, notifications and updates of bank account details to their respective Depository Participants.
12. Members are requested to update the new bank account number allotted after implementation of Core Banking Solutions (CBS) to the Company in case of shares held in physical form and to Depository Participant (DP) in case of shares held in demat form.
13. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company while transacting in the securities market including transfer, transmission or any other corporate action.

Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the Company while transacting in the securities market including transfer, transmission or any other corporate action.
14. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, (Section 205C of the Companies Act, 1956) and such other enactments or regulations in lieu thereof that maybe in force from time to time, be transferred to the Investor Education and Protection Fund.

The Company in accordance with the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2014 (date of last Annual General Meeting) on the website of the Company (www.nagarjunafertilizers.com), as also on the website of the Ministry of Corporate Affairs.
15. The Annual Report 2014-2015 along with the Notice of the 9th Annual General Meeting, instructions on remote e-voting, Ballot Form, attendance slip and proxy form is being mailed in electronic mode to all the members whose email addresses are registered with the Company/Depository Participant unless communication is received to the contrary. Printed copies of the documents shall be mailed to members who have not registered their email addresses with the company/Depository Participant or have requested for the same.

The Notice of the 9th Annual General Meeting alongwith the Annual Report 2014-2015 will be available on the Company's website, www.nagarjunafertilizers.com
16. Shareholders requiring a printed copy of the Annual Report may forward their request to the Company in writing.
17. Members are requested to address all correspondences, including dividend matters, to Nagarjuna Fertilizers and Chemicals Limited, Investors Services Cell, Plot No 1, Punjagutta, Nagarjuna Hills, Hyderabad - 500 082.

18. Shareholders who have not furnished their e-mail ids are requested to furnish the same to enable the Company forward all the requisite information in electronic mode.
19. The Company has designated an exclusive e-mail ID titled investors@nagarjunagroup.com for redressal of shareholder's complaints/grievances. In case you have any queries/complaints or unresolved grievances, please write to us at ramakanthm@nagarjunagroup.com.

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

Item No. 4 and 5

The Board of Directors of the Company have on March 25, 2015 appointed Ms. Lalitha Raghuram and Mr. D Ranga Raju as Additional Directors of the Company

The company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013, from members alongwith deposit of Rs.1,00,000/- each proposing the candidature of Ms. Lalitha Raghuram and Mr. D Ranga Raju as Independent Directors as per the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. Lalitha Raghuram and Mr. D Ranga Raju, the following:

- a) Consent in writing to act as Director in Form DIR- 2
- b) Declaration in Form DIR-8 confirming that they are not disqualified under Section 164(2) of the Companies Act, 2013.
- c) Declaration as per Section 149 (6) of the Companies Act, 2013, that they meet the criteria of independence.

It is proposed to appoint Ms. Lalitha Raghuram and Mr. D Ranga Raju as Independent Directors of the Company not liable to retire by rotation upto conclusion of 14th Annual General Meeting pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Listing Agreement.

In the opinion of the Board, Ms. Lalitha Raghuram and Mr. D Ranga Raju fulfill the conditions for appointment as Independent Directors as specified in the Act, Rules made thereunder and the Listing Agreement.

Ms. Lalitha Raghuram and Mr. D Ranga Raju are independent of the management.

Ms. Lalitha Raghuram is the Country Director of MOHAN Foundation which is a not-for-profit, non-governmental organization started to promote organ donation. She has recently been elected as an "Ashoka Fellow" with formal induction on February 27, 2015 in Delhi. Ashoka is one of largest networks of social entrepreneurs worldwide that recognizes individuals that create large-scale impact through new innovations to solve social problems. Ms. Lalitha Raghuram has played a pivotal role in bringing together all the stakeholders in building a culture of eye and organ donations in India. She brings substantial managerial and administrative experience in view of her present role.

Mr. D Ranga Raju is a commerce graduate and has over 42 years of work experience in manufacturing and marketing of fertilizers and agrochemicals.

Details in relations to names of companies in which they hold directorships and memberships / chairmanships of Board Committees,

shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the letters for respective appointments of Ms. Lalitha Raghuram and Mr. D Ranga Raju as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company during normal working hours on any working day upto the date of the Annual General Meeting.

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

The Board commends the Ordinary Resolutions set out at Item No. 4 and 5 of the Notice for approval of the shareholders.

Item No 6

The Board of Directors at their meeting held on May 16, 2015, on the recommendation of the Audit Committee, have approved the appointment of Mr. Dantu Mitra as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 6 of the Notice for payment of remuneration as fixed by the Board of Directors for the Financial Year 2015-16.

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

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

Item No. 7

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

The Company proposes to continue to contribute to Nagarjuna Foundation for undertaking CSR activities in view of its commitment to the society.

Nagarjuna Foundation is a 'Related Party' within the meaning of Section 2(76) of the Companies Act, 2013. All Related Party transactions requires approval of the members of the Company by way of special resolution unless the transaction is at arms length basis.

The contribution though on arms length basis is being placed before the shareholders for approval, as a matter of good governance.

The particulars of the transaction are as under:

a) Name of the Related Party: Nagarjuna Foundation

b) Name of the Director or Key Managerial Personnel who is interested:

Mr. K S Raju and Mr. K Rahul Raju

c) Nature of relationship:

(i) Mr. K Rahul Raju is a Director in both companies and holds 49.98% of equity capital of Nagarjuna Foundation

(ii) Mr. K S Raju is a Director of the Company and Nagarjuna Foundation

d) Nature, material terms, monetary value and particulars of the contract or arrangement:

Contribution of Rs.2 Crores to Nagarjuna Foundation for the financial year 2015-2016 in one or more tranches as required from time to time for undertaking CSR activities.

e) Any other information relevant or important for the members to take a decision on the proposed resolution: NIL

Your Directors commend the resolution for approval of members as a Special Resolution.

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

Item Nos. 8 and 9

The Members at the Extra-Ordinary Meeting held on February 25, 2011 through Special Resolution approved borrowing not exceeding Rs.7500 crores and creation of charge in accordance with Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956.

Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 states that the Board of Directors of a Company shall exercise the above powers only with the consent of the Company by a Special Resolution.

The Members had approved the resolutions on February 25, 2011 as Special Resolutions and no fresh approval is necessary. As a matter of abundant caution and to bring the approvals in line with the Companies Act, 2013, approval of the Members is being sought to borrow any sum or sums of money not exceeding at any time the sum of Rs. 7500 crore and approval for creation of mortgages, charges and hypothecations to secure borrowings in accordance with the provisions of Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013.

Your Directors commend the resolutions for approval of members as Special Resolutions

None of the Directors or Key Managerial Personnel of the Company or their relatives, are concerned or interested in the resolution.

Inspection of Documents

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

By Order of the Board

Hyderabad
July 23, 2015

M Ramakanth
Company Secretary
Membership Number : FCS 1851

Directors' Report

Your Directors have pleasure in presenting the 9th Annual Report together with the Audited Accounts of your Company for the year ended March 31, 2015.

The financial results and the consolidated financial results of the Company for the year ended March 31, 2015 are as under :

A. BUSINESS AND FINANCIAL HIGHLIGHTS

Financial Results		₹ in Crores	
Particulars	2014 – 2015 Current year	2013 – 2014 Previous year	
Net Sales/Income from Operations	2531.52	3448.43	
Other Income	40.99	32.29	
Total Expenditure			
a. (Increase)/decrease in Stock	(50.38)	13.40	
b. Cost of materials consumed	598.62	713.80	
c. Employee benefits expense	137.73	136.89	
d. Purchase of traded products	1066.85	1443.83	
e. Power and fuel	397.46	479.53	
f. Other expenses	323.37	409.48	
Total	2473.65	3196.93	
Finance cost	236.46	281.74	
Depreciation and amortization	93.44	126.15	
Profit/ (Loss) before exceptional items, extra-ordinary items and tax	(231.04)	(124.10)	
Exceptional Items	43.44	205.61	
Profit/ (Loss) before extra-ordinary items and tax	(274.48)	(329.71)	
Extra-ordinary items	87.15	-	
Profit/(Loss) before tax	(361.63)	(329.71)	
Provision for tax	-	16.31	
Deferred tax	4.99	(106.91)	
Profit / (Loss) after tax	(366.62)	(239.11)	
Dividend – equity shares	-	-	
Tax on proposed dividend	-	-	
Balance c/d to Balance Sheet	(366.62)	(239.11)	
Paid Up equity share capital (Face value of ₹1/- per share)	59.81	59.81	
Reserves excluding revaluation reserve	1645.96	2086.59	
Earnings per share (annualized) – in ₹ Basic and Diluted	(6.13)	(4.00)	

Consolidated financial statements are also attached alongwith the financial statements of the Company.

Financial Summary

The Loss after tax for the year was ₹366.62 crores against loss after tax of ₹239.11 crores for the previous year.

The loss has arisen in view of the short supply of Natural Gas by GAIL (India) Limited (GAIL) and Reliance Industries Limited and the non-supply of Natural Gas by GAIL consequent to the blast in the gas pipeline of GAIL on June 27, 2014 and the Company's Plants being

Consolidated Financial Results		₹ in Crores	
Particulars	2014 – 2015 Current year	2013 – 2014 Previous year	
Net Sales/Income from Operations	2531.52	3448.43	
Other income	41.02	36.07	
Total expenditure			
a. (Increase) /decrease in stock	(50.38)	13.40	
b. Cost of materials consumed	598.63	713.80	
c. Employee benefits expense	137.76	136.91	
d. Purchase of traded products	1066.85	1443.82	
e. Power and fuel	397.46	479.53	
f. Other expenses	323.48	409.58	
Total	2473.80	3197.04	
Finance cost	236.49	281.75	
Depreciation and amortization	93.50	126.15	
Profit/ (Loss) before exceptional items, extra-ordinary items and tax	(231.25)	(120.44)	
Exceptional Items	123.92	205.61	
Profit/ (Loss) before extra-ordinary items and tax	(355.17)	(326.05)	
Extra-ordinary items	31.85	-	
Profit/ (Loss) before exceptional items, extra-ordinary items and tax	(387.02)	(326.05)	
Provision for tax	-	16.42	
Deferred tax	4.99	(106.91)	
Profit / (loss) after tax before minority interest	(392.01)	(235.56)	
Share of Loss transferred to Minority Interest	-	-	
Share of Loss from Associate Company	-	-	
Profit / (Loss) for the year	(392.01)	(235.56)	
Dividend-equity shares	-	-	
Tax on proposed dividend	-	-	
Balance c/d to balance sheet	(392.01)	(235.56)	
Paid-up equity share capital (Face value of ₹1/- per share)	59.81	59.81	
Reserves excluding revaluation reserve	1641.82	2103.16	
Earnings per share (annualized) – in ₹ Basic and Diluted	(6.55)	(3.94)	

shut down totally till August 16, 2014 coupled with delays in realization of subsidy dues from Government of India and its consequent effect on Working Capital during the year 2014-15 as compared to the previous year.

The production at the Plants was restored in a phased manner based on the supply of natural gas by GAIL. Further, the shortfall in supply of Natural Gas had a cascading effect on the energy consumption norms and other parameters of the Company resulting in abnormal losses.

The Company understands from GAIL that the supply of Natural Gas is likely to be restored to normalcy.

The higher quantum of loss is also attributed to impairment loss of wind mill and provision for diminution in value of investment and advances made to the subsidiary Company, Nagarjuna Industrial Services and Investment Private Limited which made investment in an associate Company in Germany i.e., Nagarjuna Spawnt GmbH, which has been put to insolvency.

Share Capital and Debentures

The paid-up equity capital of the Company as on March 31, 2015 is ₹59,80,65,003/- consisting of 59,80,65,003 equity shares of ₹1/- each.

The Shares and Debentures Committee of Directors at their meeting held on June 20, 2014 allotted 100,41,00,000 number of 10.25% Secured Redeemable Non-Convertible Non-Cumulative Debentures of ₹1/- each fully paid-up aggregating to ₹100.41 crores to the lenders of the Company as part of settlement of recompense for exiting Corporate Debt Restructuring.

The Company has subsequently redeemed 6,83,42,480 number of Debentures from out of the debentures issued referred to above.

Reserve

The details of amounts, which the Company proposes to carry to reserves are detailed in the Notes to Accounts.

Restructuring

The Composite Scheme of Arrangement and Amalgamation between Kakinada Fertilizers Limited (KFL), Ikisan Limited (Ikisan), Nagarjuna Fertilizers and Chemicals Limited (NFCL) and Nagarjuna Oil Refinery Limited (NORL) (Composite Scheme) was approved by the Hon'ble High Court of Bombay at Mumbai on June 17, 2011 and by the Hon'ble High Court of Andhra Pradesh at Hyderabad on June 27, 2011.

Consequent to the approval of the Jurisdictional High Courts the Composite Scheme was made effective on July 30, 2011 i.e., 'Effective Date' but operative from 'Appointed Date' i.e., April 1, 2011. With effect from July 30, 2011, the 'Oil Business Undertaking' of Erstwhile NFCL was demerged into NORL and the residual NFCL along with Ikisan were merged into your Company.

Your Company had filed applications for listing of equity shares with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on October 7, 2011. BSE approved application of the Company for listing of 59,80,65,003 equity shares on December 14, 2011 and NSE provided in-principle approval for listing of 59,80,65,003 equity shares on January 13, 2012 subject to obtaining relaxation from Securities and Exchange Board of India (SEBI) under Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957

Your Company had been persistently following up with SEBI for relaxation under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and has furnished all necessary documents/ clarifications from time to time after having complied fully with the provisions of the Companies Act, 1956, Listing Agreement and other statutory enactments in force.

Your Company has not received any intimation from SEBI in relation to the granting of the relaxation.

An application has been filed by SEBI in the High Court of Bombay at Mumbai challenging the approval granted to the Composite Scheme. The Company is contesting the application and the matter is subjudice.

Your Company, in view of the prolonged delay by SEBI, has filed an application before Securities Appellate Tribunal (SAT) to direct SEBI to grant relaxation/waiver of Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957

Your Company is taking all necessary steps to protect itself and the interest of all its stakeholders and shall keep the stakeholders informed of progress on the matter from time to time.

Plant Operations

Urea

Your Company during the year manufactured 9.32 LMT of urea as against 14.28 LMT in the previous year.

The reduction in the production during the year compared to previous year was due to shortage of supply of Natural Gas to the Company.

Micro-Irrigation

Your Company achieved a production of 1,547 Lakh Mtrs against 1,738 Lakh Mtrs during the previous year.

Customized Fertilizers

Customized Fertilizers production and sale was restricted on account of difficult market conditions during the year.

Marketing

Urea

Your Company achieved a sale of manufactured urea of 9.33 LMT compared to 14.60 LMT in the previous year.

The total urea sales for both manufactured and imported was 22.35 LMT compared to 31.45 LMT of previous year.

Other Traded Products

Bulk Products

Your Company has not sold any Bulk products during the year, in comparison with sales of 1,34,303 MTS during the previous year.

Specialty Fertilizers

Your Company sold Specialty Fertilizers of ₹114.22 crores during the year, in comparison with sales of ₹81.33 crores during the previous year

Micro-nutrients

Your Company sold Micro-nutrients of ₹177.26 crores during the year, in comparison with sales of ₹66.57 crores during the previous year.

Environment and Safety

Environment

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

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

Safety

Your Company as on March 31, 2015 completed 30,39,347 million accident-free man-hours by employees of the Company.

Gas Supply

Consequent to the blast in gas pipeline of GAIL on June 27, 2014, and the resultant non supply of gas, the Company's plants were shut down till August 16, 2014. The production was restored in a phased manner based on the restoration of supply of gas by GAIL. In view of short

supply of Natural Gas during the year, the production at the Company's plants continued to be substantially lower than normal resulting in abnormal losses.

Research and Development

Your Company is actively pursuing the development of technologies to propel its core business and allied new business. The focus areas for technology development are in the areas of Plant Nutrition Solutions and Green Chemicals. In each of these areas, the Company has made substantial progress. The new products and processes are expected to provide a sustainable competitive advantage and better market share thereby propelling the business growth.

Corporate Debt Restructuring (CDR)

The Company was sanctioned a restructuring proposal by the Corporate Debt Restructuring (CDR) Cell in the year March 2004 under the CDR system.

The Company has been granted approval to exit the CDR system during the year and has also settled the recompense payable to the Lenders.

Awards

Your Company during the year bagged various prestigious awards such as:

- ICC award for "Excellence in Management of Health, Safety & Environment"
- "Safety Award for the year 2013-14" from Fertilizer Association of India (FAI) for the year 2013-14
- "Certificate of Appreciation" as part of Safety Award 2013 from National Safety Council of India in recognition of appreciable achievement in Occupational Safety & Health during the assessment period of three years 2010-2012
- "Compliance Champion 2014" has been awarded to Mr. M Ramakanth, Company Secretary at the Annual Compliance Awards 2014 organized by Legasis Services Private Limited

Change in the nature of business

There is no change in the nature of business.

Subsidiaries, Joint Ventures or Associate Companies

There has been no change in relation to any subsidiary, joint venture or associate Company during the year.

Accounts of Subsidiaries

Consolidated financial statements are enclosed alongwith the financial statements of the Company. The subsidiaries considered in the preparation of the consolidated financial statements were Nagarjuna Industrial Services and Investments Private Limited and Jaiprakash Engineering and Steel Company Limited.

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

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

Jaiprakash Engineering and Steel Company Limited (JESCO)

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

Nagarjuna Industrial Services and Investments Private Limited (NIS IPL) (formerly known as Nagarjuna Mauritius Private Limited)

NISIPL is a wholly owned subsidiary of the Company with a paid up capital of Euro 5 Million. The Company has invested Euro 5 Million in the form of equity and Euro 4.225 Million as loan which has been reinvested in Nagarjuna Spawnt GmbH, Germany (NSG).

Due to financial constraints, it was decided not to invest further monies into this business. NSG has since been declared Insolvent by the Court in Germany.

Spawnt Private S.à.r.l, Luxembourg (Spawnt)

Spawnt owns patents which were used by NSG for manufacturing chemicals for solar applications through the Cold Plasma Technology process.

NISIPL has acquired the entire equity share capital of Spawnt Private S.à.r.l, Luxembourg, a private limited liability Company incorporated and existing under the laws of the Grand Duchy of Luxembourg in view of non-payment of loan making it the step-down subsidiary of the Company.

Material changes and commitments

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

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

Directors

Nominee Directors

Mr. Viney Kumar, Executive Director, IDBI Bank Limited, Mumbai had joined the Board as Nominee Director of IDBI Bank Limited with effect from April 21, 2014 in place of Ms. Medha Joshi. Thereafter, IDBI Bank Limited appointed Mr. Shailendra Govind Nadkarni, General Manager – HRD, IDBI Bank Limited, Mumbai, as their Nominee Director with effect from August 26, 2014, in place of Mr. Viney Kumar.

IFCI Limited appointed Mr. Pawan Kumar, General Manager as their Nominee Director in place of Mr. V Anish Babu with effect from February 13, 2015.

The Board placed on record the valuable contribution made by Ms. Medha Joshi, Mr. Viney Kumar and Mr. V Anish Babu, during their tenure as Directors on the Board.

Non-Executive Directors

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

The Board of Directors recommend his re-appointment for consideration of the shareholders.

Independent Directors

In accordance with Section 149, 152 and Schedule IV read with relevant Rules of the Companies Act, 2013, Mr. D Ranga Raju and Ms. Lalitha Raghuram are proposed to be appointed as Independent Directors of the Company not liable to retire by rotation upto the conclusion of 14th Annual General Meeting pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Listing Agreement.