

ANNEXURE IV**BUSINESS RESPONSIBILITY REPORT 2020-21****SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

| | | |
|----|---|--|
| 1 | Corporate Identification Number | L24129TG2006PLC076238 |
| 2 | Name of the Company | Nagarjuna Fertilizers and Chemicals Limited |
| 3 | Registered Address | D. No 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad – 500082, Telangana, India |
| 4 | Website | www.nagarjunafertilizers.com |
| 5 | E-mail id | investors@nagarjunagroup.com |
| 6 | Financial Year reported | 1 April 2020 - 31 March 2021 |
| 7 | Sector(s) that the Company is engaged in | C6, E1 |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | 1) Neem coated Urea 2) Customized Fertilizers |
| 9 | Total number of locations where business activity is undertaken by the Company | |
| | a. Number of International Locations | NA |
| | b. Number of National Locations | 13 Branches/offices all over India and the Registered Office. |
| 10 | Markets served by the Company | India |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|----|---|----------------|
| 1. | Paid up Capital (INR in Lakhs) | 5980.65003 |
| 2. | Total Turnover (INR in Lakhs) | 1,57,490.71 |
| 3. | Total profit/Loss after taxes (INR in Lakhs) | (61,533.09) |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Not Applicable |
| 5. | List of activities in which expenditure in 4 above has been incurred:- | |
| | a) Health Care b) Social Welfare c) Education d) Environmental Sustainability | |

SECTION C: OTHER DETAILS

| | | |
|---|---|--|
| 1 | Does the Company have any Subsidiary Company/ Companies? | Jaiprakash Engineering And Steel Company Limited |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) | No |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? | No |

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

1. DIN Number: 00015990

2. Name: K. Rahul Raju

3. Designation: Managing Director

b) Details of the BR head:

| S.No. | Particulars | Details |
|-------|------------------|--------------------------|
| 1 | DIN Number | 15990 |
| 2 | Name | K. Rahul Raju |
| 3 | Designation | Managing Director |
| 4 | Telephone number | 040-23357200 |
| 5 | e-mail id | rahul@nagarjunagroup.com |

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

Principles as per NVG:

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

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

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|--|----|----|----|----|----|----|----|----|
| 1 | Do you have a policy/ policies for... | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any national / international standards? If yes, specify? (50 words) | Yes, they are in line with National Voluntary Guidelines (NVG) on Social, environmental and economic principles. | | | | | | | | |
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by Managing Director / owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5 | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6. | Indicate the link for the policy to be viewed online? | www.nagarjunafertilizers.com/inv_corp.htm | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8 | Does the Company have in-house structure to implement the policy/ policies. | Y | | | | | | | | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | | | | | | | | |
| 10 | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Y | | | | | | | | |

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

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

3. Governance related to BR

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

Annually

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

Yes. The Company publishes a BR.

An electronic version of the same is uploaded on the website of the Company <http://www.nagarjunafertilizers.com>.

Section E: Principle-Wise Performance

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

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

The Company considers Corporate Governance as an integral part of good management. The Company has a Code Conduct and Ethics for Senior Management that has been approved by the Board of Directors. These are applicable to all Board Members and Senior Management of the Company and an annual affirmation is taken from the designated employees. The policy also extends to suppliers, contractors, etc, while dealing with company. The Code is available on the Company's website at <http://www.nagarjunafertilizers.com>.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

| Stakeholders Complaints | | |
|---------------------------|----------------------------|---------------------------|
| No of Complaints Received | No. of Complaints Resolved | No. of Complaints Pending |
| 1 | 1 | 0 |

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

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

Below are the products whose design has incorporated social opportunities / benefits

- a. Customized Fertilizers (CF) – Specific to Crop, Stage and to Region based on soil condition and fertility levels.
 - b. Neem Coated Urea-Product with Nitrogen Use efficiency.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
The products mentioned in Sl.No.1 above improves the productivity of crop by enriching the soil nutrients and plant growth conditions
 - b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Not Applicable
3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
Yes: Most of the products are either purchased from small manufacturers. Also, we have own manufacture facility and unit taken on lease for the production of CF grades (Crop & Soil specific grades).
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

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

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

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

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

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

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

| | | |
|---|---|-----------------|
| 1 | Please indicate the Total number of employees. | 981 |
| 2 | Please indicate the Total number of employees hired on temporary/contractual/casual basis. | Outsourced: 558 |
| 3 | Please indicate the Number of permanent women employees. | 27 |
| 4 | Please indicate the Number of permanent employees with disabilities | 0 |
| 5 | Do you have an employee association that is recognized by management. | Yes |
| 6 | What percentage of your permanent employees is members of this recognized employee association? | 115 members |

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

| No | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|----|---|--|--|
| 1 | Child labour/forced labour/involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- Permanent Employees
 - Permanent Women Employees
 - Casual/Temporary/Contractual Employees
 - Employees with Disabilities

| S. No. | Description | Total Strength | No. of employees undergone Safety & Skill Up-gradation during 2019-20 | % of employees undergone Safety & Skill Up-gradation during 2019-20 |
|--------|--|----------------|---|---|
| a | Permanent Employees | 981 | 378 | 38.50% |
| b | Permanent Women Employees | 27 | 0 | 0 |
| c | Casual/Temporary/Contractual Employees | 558 | 60 | 10.75% |
| d | Employees with Disabilities | 0 | 0 | 0 |

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

- Has the Company mapped its internal and external stakeholders?
Yes
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.
Yes. Company has identified stakeholders who could be vulnerable and marginalized viz., society at large, employees including women employees, vendors, etc., Special initiatives have been taken by the Company to engage with the said stakeholders through set up of unique mechanisms.
CSR initiatives, Whistleblower mechanism, Prevention of sexual harassment at work place, vendor grievances redressal mechanism are a few of them.

Principle 5 - Businesses should respect and promote human rights

- Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
The Policy on Human Rights covers the Company and its interface with suppliers, contractors, etc., wherever possible.

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

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

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

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

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

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

Yes. The Policies of the Company have strategic initiatives on Health, Safety & Environment, Bio diversity etc. the policies can be accessed on the website of the company at: http://www.nagarjunafertilizers.com/inv_corp.htm

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

Yes, the Company has a mechanism to identify and assess potential environmental risks at plant level as well as corporate level. Potential Environmental risks also form a part of Business Risk Management Model, where all business related risks are identified and their mitigation strategies and plans are worked upon.

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

No

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

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

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

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

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

No show cause notice/legal notice from CPCB/APPCB is pending as on date.

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

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

1. Fertilizer Association of India (FAI)
2. The Federation of Telangana and Andhra Pradesh Chamber of Commerce and Industry (FTAPPCI)
3. Godavari EHS Association

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

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

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

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

Principle 8 - Businesses should support inclusive growth and equitable development

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

The Company has always focused on the Guidelines of the Corporate Social Responsibility (CSR) Charter framed by the Company and operated within the Charter.

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

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

| S.No. | Focus Area | Broad Head as per Schedule VII |
|-------|----------------|---|
| 1 | Social Welfare | Eradicating hunger, poverty and malnutrition and making available safe drinking water |
| 2 | Health Care | Preventive health care and sanitation |
| 3 | Environment | Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water |

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

With other organizations:

Nagarjuna Education Trust, established in 1990, runs a school under the name of "Akshara School" also catering to the children of the employees of the Company on the land it has leased from NFCL. admeasuring 35 acres to provide better primary, secondary and higher education, sports facilities and other initiatives for the benefit of the community at large in and around Kakinada; and

Nagarjuna Agricultural Research and Development Institute established in 1995 which supports agricultural research and farmer training under lease of agricultural land situated at Wargal, admeasuring 97.14 acres from the Company.

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

The initiatives of the Company also supports the children of the employees of the Company to provide better primary, secondary and higher education, sports facilities and other initiatives for the benefit of the community at large in and around Kakinada.

Further, it supports agriculture research and farmer training.

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

The company as part of its CSR had contributed an amount of Rs. 18.17 lakh to PM Cares Fund and CM Relief Fund for relief efforts against the covid-19 outbreak in the Country.

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

All initiatives undertaken by the Company are successfully completed and constantly monitored. The projects are monitored on a quarterly basis.

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

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

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

There are NIL customer cases pending as on the end of Financial Year.

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

YES. The company in addition to product information as per the local laws, provides additional information for the benefit of the consumers.

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

The Company carries out survey of farmers, take their feedback and address their concerns as a continuous processes. Accordingly there are no cases filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior, during the last five years.

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

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

ANNEXURE V

Particulars of Contracts / Arrangement made with Related Parties

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

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

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

By Order of the Board

Hyderabad
June 29, 2021

Uday Shankar Jha
Chairman