



## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of Nagarjuna Agrichem Limited will be held at 10.00 a.m on Friday , 30<sup>th</sup> July, 2010 at M/s. Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, P.B. No. 14, Red Hills, Hyderabad – 500 004 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on the Equity Shares.
3. To appoint a Director in the place of Dr.Nitish K Sen Gupta, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Sukhendu Ray who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. K Rahul Raju who retires by rotation and is eligible for re-appointment.
6. To appoint a Director in the place of Mr.D Ranga Raju, who retires by rotation and is eligible for re-appointment.
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

“ RESOLVED THAT the retiring auditors of the Company M/s M Bhaskara Rao & Co., Chartered Accountants , Hyderabad being eligible for re-appointment be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of the 23<sup>rd</sup> Annual General Meeting upto the conclusion of the next Annual General Meeting on such terms and conditions as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee”.

### SPECIAL BUSINESS

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

“RESOLVED THAT Mr. K Raghuraman, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 30<sup>th</sup> July, 2009 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

“RESOLVED THAT pursuant to sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 approval of the Company be and is hereby accorded for the re-appointment of Mr.N.Vijayaraghavan as Whole Time Director of the Company for a period of One year with effect from 24<sup>th</sup> October, 2009 on the terms and conditions including remuneration as set out below:

In accordance with the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 as in force the particulars of the remuneration to be paid and perquisites to be provided to Mr.N.Vijayaraghavan are as under:

- i. Basic Salary: Rs.90,000/- per month.
- ii. Perquisites:
  - a. The Company will pay a fixed sum of Rs.25,000/- per month by way of House Rent Allowance.
  - b. The Company will pay a sum of Rs.30,000/- per month as Conveyance Allowance.



- c. The Company will pay a Special Allowance of Rs.35,865/- per month.
- d. Apart from the above perquisites the Company will contribute towards Provident Fund to the extent of 12% of his basic salary and will be eligible to receive medical reimbursement of Rs.25,000/- per annum and Leave Travel Concession of Rs.75,000/- per annum.
- iii. In the event of loss or inadequacy of profits in any financial year, the Whole time Director shall be paid remuneration by way of salary, allowances and perquisites as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 and as may be amended from time to time.
- iv. The Whole time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- v. The appointment of one year may be determined by either party by giving one months' notice in writing to the other party."
- By Order of the Board  
**D Suresh Babu**  
VP-Legal & Company Secretary
- Place : Hyderabad  
Date : 26<sup>th</sup> April, 2010
- Notes:**
1. The Explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of of the business under Item No.8 & 9 above is annexed.
  2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such a proxy need not be a member of the Company. Proxies (in the annexed form) and power of attorneys, in order to be effective must be received at the registered office of the Company not later than 10.00 a.m on the 28<sup>th</sup> July, 2010.
  3. Members holding shares in physical and electronic form are requested to inform immediately the change, if any, in their address to M/s. Bigshare Services Pvt. Ltd, G-10, Left Wing, Amrutha Ville, Opp. Yashodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad – 500 082.
  4. The Register of Members and Share Transfer Books will remain closed from 23rd July, 2010 to 30<sup>th</sup> July ,2010 (both days inclusive).
  5. The Dividend, if declared, will be paid to the members entitled thereto, whose names appear in the Registers of the Company as on 23rd July, 2010.
  6. Members are advised to avail nomination facility as per the amended provisions of Companies Act, 1956, for which nomination forms are available with the Registrars.
  7. Consequent upon amendment of Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education & Protection Fund.
  8. Members who hold shares in dematerialised form are requested to bring their client ID and DPID numbers for easy identification of attendance at the meeting.
  9. Shareholders are requested to furnish their e-mail ID's to enable the company forward information in relation to the company on a regular basis.

10. The Securities and Exchange Board of India (SEBI) 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 / RTA while transacting in the securities market including transfer, transmission or any other corporate action.

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

- 10 All communication relating to shares are to be addressed to the Company's Transfer Agents, M/s. Bigshare Services Private Limited, G-10, Left Wing, Amrutha Ville, Opp. Yashodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad – 500 082.
11. The Company has paid the Listing Fees for the year 2010-2011 to The Stock Exchange, Mumbai where the shares of the Company are listed.
12. Re-appointment of Directors:

At the ensuing Annual General Meeting; Dr.Nitish K Sen Gupta, Mr, Sukhendu Ray, Mr. K Rahul Raju and Mr. D Ranga Raju, Directors retire by rotation and being eligible offer themselves for re-appointment. Mr. K.Raghuraman who has been appointed as an Additional Director on 30<sup>th</sup> July, 2009 and Mr.N.Vijayaraghavan have been re-appointed as Whole-time Directors during the year under review by the Board of Directors of the Company. The information or details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange are furnished in the statement on Corporate Governance published in this Annual Report.

### **Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956**

#### **Item no.8 :**

Mr K Raghuraman was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30<sup>th</sup> July, 2009. Pursuant to Sec.260 of the Companies Act, 1956 Mr. K Raghuraman will hold office of Director only up to the date of this Annual General Meeting. Company had received a notice in writing from a member together with the deposit amount of Rs.500/- proposing the candidature of Mr. K.Raghuraman for the office of the Director of the Company under the provisions of the Companies Act, 1956. Accordingly the Board recommended the resolution set out in item no.8 of the Notice for approval of the members.

#### **Memorandum of Interest of Directors:**

None of the Directors of the Company other than Mr. K Raghuraman may be deemed to be concerned or interested in passing of this resolution.

As required under clause 49 of the Listing Agreement with the Stock Exchanges, Mr. K Raghuraman has disclosed to the Company that he is holding 'NIL' equity shares in the Company.

#### **Item No.9**

Mr.N.Vijayaraghavan was appointed as an Additional Director of the Company by the Board of Directors at its meeting held 16<sup>th</sup> September, 2008 and thereafter was appointed as a Whole Time Director of the company for a period of one year with effect from 24<sup>th</sup> October, 2008. Pursuant to the provisions of the Companies Act, 1956, Mr.N.Vijayaraghavan will hold office of Director only up to the date of this Annual General Meeting and is eligible for re-appointment. The Board of Directors at their meeting held on 29<sup>th</sup> October, 2009, subject to the approval of the Members and the Central Government, if necessary,

re-appointed Mr.N.Vijayaraghavan as a Whole-time Director of the Company, with effect from 24<sup>th</sup> October, 2009 for a period of one year based on the re-commendation of the remuneration committee. Mr. N Vijayaraghavan, is a B.Tech., (Metallurgy) from IIT, Chennai and holds a Post Graduate Diploma in Business Management from IIM, Ahmedabad. He has over 36 years of experience in various senior positions. He has worked in Larsen & Toubro Limited, ITW Signode Limited, Nagarjuna Fertilizers and Chemicals Limited and Sterlite Industries Limited. The industry spectrum of his experience includes various manufacturing fields. His experience includes Fertilizer Manufacturing and Marketing Management and General Management.

Detailed profile of Mr.N.Vijayaraghavan is given under:

|  |   |
|--|---|
| Date of Birth  | 22 <sup>nd</sup> July, 1949                             |
| Qualifications   | B.Tech – Metallurgy (IIT Madras), PGDM, IIM, Ahmedabad  |
| Experience and expertise in specific functional area                       | Over 36 years of experience in various senior positions |
| Relationship with other Directors of the Company                           | None  |
| Current Shareholding in Nagarjuna Agrichem Limited                         | None  |
| Directorships held in other Indian Public Limited Companies                | None  |
| Membership / Chairmanship of Committees in Indian Public Limited Companies | None  |

The appointment and terms of remuneration of Mr. Vijayaraghavan as the Whole-time Director are pursuant to the provisions of Article 141 of the Company's Articles of Association and Sections 198, 269,309, read with Schedule XIII and other applicable provisions, if any, of the Act. Mr. N. Vijayaraghavan shall not, while he continues to be the Whole-time Director, be subject to retirement by rotation pursuant to the provisions of Section 255 of the Act.

Pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Act, the approval of the members in General Meeting is required to be obtained for the appointment and the terms of remuneration of Mr. N. Vijayaraghavan as the Whole-time Director and as set out in Item No .9 of the Notice.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Mr.N.Vijayaraghavan has disclosed to the Company that he is holding 'nil' equity shares in the Company.

This may also be treated as an abstract of the draft Agreement between the Company and Mr. N. Vijayaraghavan pursuant to Section 302 of the Act.

#### Memorandum of Interest of Directors

None of the Directors of the Company other than Mr. N.Vijayaraghavan may be deemed to be concerned or interested in passing of this resolution.

The Board is of the opinion that it is in the interest of the Company to receive the benefit of Mr. N. Vijayaraghavan's services and accordingly the Directors commend the Resolutions at Item No. 9 for approval by the Members.

By Order of the Board  
**D Suresh Babu**  
 VP-Legal & Company Secretary

Place : Hyderabad  
 Date : 26<sup>th</sup> April, 2010



## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010 .

### Operating Results

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

| (Rs. in Lakhs)                                    |             |             |
|---|-------------|-------------|
| Particulars                                       | 2009-10     | 2008-09     |
| Sales / Income from Operations                    | 65031       | 60536       |
| Other Income                                      | 867         | 166         |
| Total Income                                      | 65898       | 60702       |
| Profit Before Taxation                            | 9127        | 8040        |
| Less : Provision for Taxation                     | 3151        | 3114        |
| <b>Profit After Taxation</b>                      | <b>5976</b> | <b>4926</b> |
| <b>Add : Surplus brought forward</b>              | <b>9856</b> | <b>6301</b> |
| Amount available for appropriation                | 15832       | 11227       |
| <b>Appropriations</b>                             |             |             |
| Your Directors recommend appropriations as under: |             |             |
| Transfer to General Reserve                       | 600         | 500         |
| Dividend  |             |             |
| - Interim Paid                                    | 298         | 298         |
| - Interim Corporate Dividend Tax                  | 51          | 51          |
| - Final (Proposed)                                | 447         | 447         |
| - Provision for Corporate Dividend Tax            | 76          | 75          |
| Surplus Carried Forward                           | 14360       | 9856        |
| Total Appropriations                              | 15832       | 11227       |

### Dividend

The Board of Directors of the Company at their meeting held on 29<sup>th</sup> October, 2009 had declared an interim dividend of Rs.2.00 for each equity share of Rs.10/-. The dividend was paid to the shareholders on due date.

The Board of Directors are pleased to recommend a final dividend of Rs.3/- for each equity share of Rs.10/- on the equity Share Capital of the Company for the financial year ended 31<sup>st</sup> March 2010.

### Performance

During the year under review, Sales were Rs.650.31 Crores as compared to Rs 605.36 Crores during the previous year. The Profit After Tax for the year under review was Rs.59.76 Crores as compared to Rs.49.26 Crores during the previous year. The cash profits for the year under review were Rs.80.18 Crores as compared to Rs.69.41 Crores during the previous year.

### Domestic & Export Markets

The Agro Chemical industry has witnessed a growth of 2% in the domestic market during the year under review due to deficit rain.

This year Kharif / Rabi acreage was affected adversely and continued dry spells in many parts of the Country resulted in less pest infestation. Against all the odds your Company saw 21% growth in branded sale while this segment grew only by 2% which placed it ahead of many competitors.

Exports dropped by 15% largely owing to global recession and climatic vagaries. Initially panic liquidation of stocks has scuttled the demand supply equation and at later part of the year there was a roll back of stocks due to lesser fungal attack and pest infestation as a common global phenomena.

The Climatic adversity, severe competition and crop specific business dynamic has stretched the credit market. Also strategic placement of products resulted in inventory built up.

The over all business scenario in your Company in both export and domestic market put together proved to be favorable, despite various market constraints so far, due to the improved operational efficiency and proactive steps taken to grab business opportunity. The focus on the aforesaid areas will continue to be stronger in the coming year.

Your Company gained due to natural hedging in a fairly stable forex market.

#### **New Project**

As a support to its growth plan in the technical export market, your Company is planning to set up a green filed project which is expected to be operational during first half of the Financial Year 2012-13.

#### **Environment Protection**

Your Company is continuously committed to the environment protection and responsible care for all its stake holders. It is also driven as a corporate culture through its various welfare activities.

Your Company is recommended ISO 9001:2008, ISO 14001:2004; OHSAS 18001:2007 certification accreditation for its proven standards covering Quality, Environment, Safety and Occupational Health Management Systems.

#### **Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo**

Disclosures required under the provisions of Section 217 (1) (e) of the Act relating to conservation of energy, technology absorption and foreign exchange outgo and earning, in terms of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988, are set out in a separate

statement attached hereto and forms part of this report.

#### **Fixed Deposits**

The Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

#### **Directors**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Dr.Nitish K Sen Gupta, Mr. Sukhendu Ray and D.Ranga Raju, Directors of the Company will be retiring by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

During the year under review the Company has appointed Mr.K.Raghuraman as an additional director on the Board of Directors of the Company on 30<sup>th</sup> July, 2009 and he cease to be director on the date of this Annual General Meeting. Notice under Section 257 has been received proposing their appointment as Director on the Board.

The Board of Directors at their meeting held on 29th October, 2009 re-appointed Mr. N. Vijayaraghavan as Whole Time Director for a period of one year with effect from 24th October, 2009 as recommended by the members in the Remuneration Committee Meeting.

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this report. However, as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the reports and accounts are being sent to all the Members without the statement of particulars under Section 217(2A). Any Member interested in obtaining a copy of this statement may write



to the Company Secretary at the Registered Office of the Company.

#### **Auditors**

M/s. M Bhaskara Rao & Company, Chartered Accountants, Hyderabad, the Company's Auditors, retire at the conclusion of the ensuing Annual General Meeting. They have

signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224(1-B) of the Companies Act, 1956.

#### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that :

- (i) In the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) 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 31<sup>st</sup> March, 2010 and of the profit of the Company for the year ended on that date.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

#### **Personnel**

Industrial relations at the factory and at Head Office continued to be cordial.

#### **Corporate Governance**

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Annual Report.

#### **Management's Discussion and Analysis Report**

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

#### **Acknowledgement**

Your Directors wish to place on record their appreciation of the support, co-operation and assistance received from the Customers, Government authorities, State Bank of India, HDFC Bank Limited, ICICI Bank Limited, IDBI Bank Limited and New India Co-Operative Bank Ltd., Mumbai, Shareholders, Suppliers, Associates and the community in the vicinity of the plants.

On behalf of the Board

**Mr.K.S.Raju**

Director

**Mr.C.M.Ashok Muni**

Director & Chief Operating Officer

Place: Hyderabad

Date : 26<sup>th</sup> April, 2010

## ANNEXURE TO THE DIRECTORS' REPORT FORM A

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

| A . POWER AND FUEL CONSUMPTION                    | UNIT        | 2009-10                        | 2008-09  |
|---|-------------|--------------------------------|----------|
| <b>1. Electricity :</b>                           |             |                                |          |
| <b>(A) Purchases</b>                              |             |                                |          |
| Unit  | KWH         | 20737854                       | 23071097 |
| Total Amount (Net of Subsidy)                     | Rs.in Lakhs | 686.31                         | 729.16   |
| Rate / Unit                                       | Rs.         | 3.31                           | 3.16     |
| <b>(B) Own Generation</b>                         |             |                                |          |
| (i) Through Diesel Generator Unit                 | KWH         | 2227599                        | 1148682  |
| Unit Per Liter of Diesel Oil                      | Rs.         | 3.18                           | 3.28     |
| Cost / Unit                                       | Rs.         | 12.03                          | 12.06    |
| <b>2. Coal (Specify Quality &amp; Where Used)</b> |             | <b>C Rom - Used for Boiler</b> |          |
| Quantity  | MT          | 26184.60                       | 25982.54 |
| Total Cost  | Rs.in Lakhs | 764.71                         | 846.99   |
| Average Rate / MT                                 | Rs.         | 2920.45                        | 3259.85  |
| <b>3. Furnace Oil</b>                             |             |                                |          |
| Quantity (K LTRS)                                 | KL          | 834.40                         | 1562.86  |
| Total Amount                                      | Rs.in Lakhs | 218.95                         | 374.48   |
| Average Rate                                      | Rs          | 32880                          | 23961    |
| <b>4. Other / Internal Generation</b>             |             |                                |          |
| <b>Diesel / Furnace Oil</b>                       |             |                                |          |
| Quantity  | KL          | 223.287                        | 94.08    |
| Total Cost  | Rs.in Lakhs | 57.29                          | 34.74    |
| Rate / Unit ( MT )                                | Rs.         | 25657                          | 36929    |
| <b>5. Consumption Per Tonne of Production</b>     |             |                                |          |
| Electricity                                       | KWH         | 4095                           | 4048     |
| Furnace Oil                                       | KL          | 0.16                           | 0.27     |
| Coal - Quality : C Rom                            | MT          | 5.17                           | 4.50     |
| Others - Farm Waste / Diesel                      | MT          | 0.04                           | 0.01     |



## FORM B

### Form for disclosure of Particulars with respect to technology absorption.

#### A. RESEARCH AND DEVELOPMENT (R&D)

- |    |  |  |
|----|--|--|
| 1  | Specific areas in which R&D carried out by the Company | <ul style="list-style-type: none"> <li>a. R&amp; D Work on the existing processes to make them environmentally friendly and cost effective.</li> <li>b. Indigenous process developments for new products.</li> </ul> |
| 2. | Benefits derived as a result of the above R&D          | Increased export business and improved product quality.  |
| 3. | Future plans of action                                 | Introduction of new products through indigenously developed technology.  |
| 4. | Expenditure on R&D                                     |  |
|    | a. Capital   | Rs. 0.99 lakhs   |
|    | b. Recurring   | Rs.109.36 lakhs  |
|    | c. Total Expenditure as a percentage of total turnover | 0.17%  |

#### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- |    |  |   |
|----|--|---|
| 1  | Efforts in brief, made towards technology absorption, adaptation and innovation.   | Increased size of R&D process development, purchase of new equipments and generation of process technical for new products.                             |
| 2. | Benefits derived as a result of the above effort eg. Product improvement, cost reduction product development, import substitution etc.,                    | <ul style="list-style-type: none"> <li>a. The plants operate effectively with new addition of products.</li> <li>b. Exports started growing.</li> </ul> |
| 3. | In case of imported technology (imported during the last 5 years reckoned from the beginning of the technical year) following information may be furnished |   |
|    | a. Technology imported   | None  |
|    | b. Year of import  | Not Applicable  |
|    | c. Has technology been fully absorbed  | Not Applicable  |
|    | d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action   | Not Applicable  |

### C. PARTICULARS OF FOREIGN EXCHANGE EARNINGS AND OUTGO

|   |   |
|---|---|
| i. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans | Exports are an important part of Nagarjuna's future growth strategy. As a result of new production introduction and Research & Development investments, Exports have shown a steady growth over the last 5 years. |
| ii. Foreign Exchange Outgo and Earnings   |   |
| Foreign Exchange Outgo  | Rs. Lakhs   |
| Raw Materials   | 17,448.38   |
| Capital Goods   | 119.24  |
| Traded Goods  | Nil   |
| Others  | 131.07  |
| Total   | 17,698.69   |
| Foreign Exchange Earnings(FOB Value)  | 22,479.23   |

## 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 March 31, 2010.

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

## C. BOARD OF DIRECTORS

### (i) Pecuniary Relationship

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

### (ii) Composition

The present strength of the Board of Directors is 12 (twelve) .

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.

During the year under review, **Five** Board Meetings were held on 28<sup>th</sup> April, 2009, 30<sup>th</sup> July, 2009, 29<sup>th</sup> October, 2009, 28<sup>th</sup> January, 2010 and 23<sup>rd</sup> March, 2010.

The details of the composition of the existing Board of Directors are given below:

| Sl. No. | Name of the Director   | Designation                        | Executive/Non-Executive/Independent | No. of other directorships held |         | Membership held in Committees of other Companies | No. of Board Meetings attended | Attendance at the last AGM held Y/N |
|---------|------------------------|------------------------------------|-------------------------------------|---------------------------------|---------|--|--------------------------------|-------------------------------------|
|         |                        |                                    |                                     | Public                          | Private |  |                                |                                     |
| 1       | Dr.Nitish K. Sen Gupta | Chairman                           | Independent & Non-Exec.             | 6                               | 1       | -  | 3                              | Y                                   |
| 2       | Mr.K.S.Raju            | Director                           | Non-Executive                       | 12                              | 10      | 7  | 5                              | Y                                   |
| 3       | Mr.Sukhendu Ray        | Director                           | Independent & Non-Exec.             | 6                               | -       | 7  | 4                              | Y                                   |
| 4       | Mr.P.K.Mallik*         | Director                           | Independent & Non-Exec.             | -                               | -       | -  | -                              | N                                   |
| 5       | Mr.D. Ranga Raju       | Director                           | Independent & Non-Exec.             | 2                               | 1       | -  | 5                              | N                                   |
| 6       | Mr. K Rahul Raju       | Director                           | Non-Executive                       | 5                               | 7       | -  | 4                              | N                                   |
| 7       | Mrs.K.Lakshmi Raju     | Director                           | Non-Executive                       | 1                               | -       | -  | 2                              | N                                   |
| 8       | Mr.R.S.Nanda           | Director                           | Independent & Non-Exec.             | 2                               | -       | -  | 5                              | Y                                   |
| 9       | Mr.C.M.Ashok Muni      | Director & Chief Operating Officer | Executive                           | -                               | 1       | -  | 5                              | Y                                   |
| 10      | Mr.Sudhakar Kudva      | Director                           | Independent & Non-Exec.             | 1                               | -       | -  | 5                              | Y                                   |
| 11      | Mr.N.Vijayaraghavan    | Whole-time Director                | Executive                           | -                               | -       | -  | 5                              | Y                                   |
| 12      | Mr.K.Raghuraman**      | Director                           | Independent & Non-Exec.             | 7                               | -       | -  | 1                              | N                                   |

\* Leave of absence was obtained from the director

\*\* Appointed as a Director with effect from 30<sup>th</sup> July 2009

#### D. INFORMATION TO THE BOARD

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

- Quarterly results of the Company.
- Annual operating plans, budgets, capital budgets, updates and all variances.

- Contracts in which directors are deemed to be interested.
- Compliance of any regulatory, statutory nature or listing requirements.
- Minutes of the meetings of the Board of Directors and Committees of the Board of Directors.

#### E. COMMITTEES OF DIRECTORS

The Board of Directors have constituted the following committees with adequate

delegation of powers to discharge day-to-day affairs of the Company as well as to meet the exigencies of the business of the Company.

The Committees constituted by the Board as on date are:

**1. Share Committee (Shareholders and Investors' Grievance Committee):**

The Share Committee approves and monitors transfers, transmission, 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.,

Mr.K.S.Raju chairs the Share Committee. The other members of the Committee are Mr. D. Ranga Raju and Mr.R.S.Nanda.

The quorum of the Committee is 2 members.

The Committee met 11 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 31<sup>st</sup> March, 2010 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. 43 requests for transfer of shares and 106 requests for dematerialization of shares were received during the year.

The Company during April 1<sup>st</sup>, 2009 to March 31<sup>st</sup>, 2010 received 440 letters / complaints from the investors. All the complaints were attended to and resolved and there were no balance letters / complaints pending resolution.

The details of attendance of members of the Share Committee Meeting are as follows:

| Name of the Member | Status   | No. of meetings attended<br>(Total held-11) |
|--------------------|----------|---|
| Mr.K.S.Raju        | Chairman | 11  |
| Mr.D.Ranga Raju    | Member   | 10  |
| Mr.R.S.Nanda       | Member   | 9   |

**2. Audit Committee:**

The Audit Committee constituted by the Board consists of Dr. Nitish K Sen Gupta, Chairman, Mr. D. Ranga Raju, Director, Mr. P.K. Mallik, Director and Mr. Sukhendu Ray, Director. The Committee is chaired by Dr. Nitish K Sen Gupta.

The quorum of the Committee is 2 members.

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

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :

- a) Matters required to be included in the Director's Responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
  - h) Review regarding the going concern assumption and compliance with accounting standards.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  7. 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.
  8. Discussion with internal auditors any significant findings and follow up thereon.
  9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
  10. 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.
  11. 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.
  12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
  13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  14. To review the Company's financial and risk management policies.
- The Statutory Auditors, the Internal Auditors were present as invitees for the meetings of the Audit Committee.
- The Audit Committee of Directors had met four times during the period under review and the meetings were held on 28<sup>th</sup> April, 2009, 30<sup>th</sup> July, 2009, 29<sup>th</sup> October, 2009 and 28<sup>th</sup> January, 2010.
- The details of attendance of members of the Audit Committee are as follows:

| Name of the Member    | Status   | No. of meetings attended (Total held-4) |
|-----------------------|----------|---|
| Dr.Nitish K Sen Gupta | Chairman | 3                                       |
| Mr.D. Ranga Raju      | Member   | 3                                       |
| Mr. Sukhendu Ray      | Member   | 4                                       |
| Mr. P.K. Mallik       | Member   | -                                       |

### 3. Banking Committee:

The Banking Committee constituted by the Board consists of Mr. K.S.Raju, Director, Mr. D. Ranga Raju, Director and Mr. C.M Ashok Muni, Director. The Committee is Chaired by Mr. K.S.Raju.

The quorum of the Committee is 2 members.

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

- To open new Accounts with any Bank and approve the list of persons authorised to operate such accounts and to make such changes as may be necessary from time to time.
- Availment of term loans and working capital facilities/credit facilities including non-fund based limits by the company from Financial Institutions, Banks and others subject to such credit facilities so availed along with the existing credit facilities, shall not exceed the limits as approved by members of the Company u/s 293 (1) (d) of the Companies Act, 1956.
- To authorise persons to sign necessary documents and for affixation of Common Seal and matters incidental thereto, for availing such credit facilities.
- To authorize closure of Accounts of the Company, with various Banks, as may be occasioned from time to time.

During the year the Committee met 7 times. The details of attendance of members of the Banking Committee are as follows:

| Name of the Member | Status   | No. of meetings attended (Total held-7) |
|--------------------|----------|---|
| Mr. K.S. Raju      | Chairman | 7                                       |
| Mr. D.Ranga Raju   | Member   | 5                                       |
| Mr. C.M Ashok Muni | Member   | 7                                       |

### 4. Remuneration Committee:

The Company had constituted a Remuneration Committee with three independent Non-Executive Directors to determine the remuneration package of Director and COO / Wholetime Directors. The Remuneration Committee as on 31<sup>st</sup> March, 2010 comprised of Dr. Nitish K Sengupta, Chairman, Mr. Sukhendu Ray, Member and Mr. P.K. Mallik, Member. The functioning and terms of reference of the Remuneration Committee are as prescribed under the Listing Agreement with the Stock Exchanges and it determines the Company's policy on all elements of the remuneration packages of the Directors including the Executive Directors. The Remuneration of the Directors is approved by the Remuneration Committee and the Board of Directors as per the remuneration policy of the Company.

The Remuneration Committee of Directors had met one time during the year and the meeting was held on 29<sup>th</sup> October, 2009. The details of attendance of member of the Remuneration Committee are as follows:

| Name of the Member    | Status   | No. of meetings attended (Total held-1) |
|-----------------------|----------|---|
| Dr.Nitish K Sen Gupta | Chairman | 1                                       |
| Mr. Sukhendu Ray      | Member   | 1                                       |
| Mr. P.K. Mallik       | Member   | -                                       |

#### F. REMUNERATION TO DIRECTORS

The Non-executive Directors of the Company are paid sitting fees for attending the meetings of the Board of Directors/Committees of Board of Directors. The details of sitting fees paid to the Non-executive Directors of the Company during the year 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010 is given below:

| Name of the Director   | Sitting Fees paid for attending meetings of the Board of Directors / Committees of Directors |
|------------------------|--|
| Dr. Nitish K Sen Gupta | Rs. 28,000/-   |
| Mr. Sukhendu Ray       | Rs. 36,000/-   |
| Mr. P.K. Mallik        | --   |
| Mr. K.S. Raju          | Rs. 68,000/-   |
| Mr. D. Ranga Raju      | Rs. 44,000/-   |
| Mr. K. Rahul Raju      | Rs. 16,000/-   |
| Mrs. K. Lakshmi Raju   | Rs. 8,000/-  |
| Mr. R.S.Nanda          | Rs. 60,000/-   |
| Mr. Sudhakar Kudva     | Rs. 20,000/-   |
| Mr. K.Raghuraman       | Rs. 4,000/-  |
| <b>Total</b>           | <b>Rs. 2,84,000/-</b>  |

The details of remuneration paid/payable for the financial year 1st April, 2009 to 31st March, 2010 to Mr.C.M.Ashok Muni, Director and Chief Operating Officer is as under:

| Component                      | Rs.              |
|--------------------------------|------------------|
| Salary                         | 50,76,000        |
| Perquisites and Other Benefits | 2,32,329         |
| Contribution to Provident Fund | 2,88,000         |
| Performance Linked Incentive   | 14,00,000        |
| <b>Total</b>                   | <b>69,96,329</b> |

The details of remuneration paid/payable for the financial year 1st April, 2009 to 31st March, 2010 to Mr.N.Vijayaraghavan, Whole-time Director:

| Component                      | Rs.              |
|--------------------------------|------------------|
| Salary                         | 21,70,380        |
| Perquisites and Other Benefits | 1,01,228         |
| Contribution to Provident Fund | 1,29,600         |
| <b>Total</b>                   | <b>24,01,208</b> |



## G. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

| No. of AGM & FY                   | Date & Time                | Location   | Special Resolutions Passed  |
|-----------------------------------|----------------------------|--|---|
| 20 <sup>th</sup> AGM<br>2006-07   | 26-07-2007<br>at 10.00 a.m | KLN Prasad Auditorium of Federation of Andhra Pradesh Chamber of Commerce & Industry, No.11-6-841, PBNo.14, Red Hills, Hyderabad-500 004 . | No Special Resolution was passed.   |
| 21 <sup>st</sup> AGM<br>2007-2008 | 28-07-2008<br>at 10.00 a.m | KLN Prasad Auditorium of Federation of Andhra Pradesh Chamber of Commerce & Industry, No.11-6-841, PBNo.14, Red Hills, Hyderabad-500 004   | Appointment of Mr.G.S Raju as Managing Director of the company  |
| 22 <sup>nd</sup> AGM<br>2008-2009 | 30-07-2009<br>at 10.00 a.m | KLN Prasad Auditorium of Federation of Andhra Pradesh Chamber of Commerce & Industry, No.11-6-841, PBNo.14, Red Hills, Hyderabad-500 004   | Appointment of Mr.N.Vijaya Raghavan as Whole Time Director of the company. Appointment of Mr. C.M Ashok Muni, as Director and Chief Operating Officer of the Company. |

Further, no Special resolution requiring a postal ballot under Section 192A of the Companies Act, 1956, was placed before the last AGM. Similarly, no special resolution requiring a postal ballot is proposed to be placed for the shareholders approval at the forthcoming Annual General Meeting.

## H. DISCLOSURES

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with the promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

Details of related party transactions have been disclosed under Note No.12 of

Schedule P(B) in the financial statements. There are no transactions which may have potential conflict with the interests of the Company at large.

- b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by a Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years.

There has been no instance of non-compliance.

## I. FIXED DEPOSITS

During the period under review, the Company has not accepted any Fixed Deposits in terms of Section 58A of the Companies Act, 1956.



#### J. UNCLAIMED DIVIDEND

In accordance with the provisions of Section 205-C of the Companies Act, 1956, Unpaid / Un claimed dividend for a period of seven years, transferred to Investors Education and Protection Fund established by the Central Government.

#### K. 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 Line, Financial Express in English and Andhra Prabha in Telugu (regional language). The results are not posted on the Company's Website but are sent to the Bombay Stock Exchange wherein the same is posted in their website [www.bseindia.com](http://www.bseindia.com). Further as required, these are uploaded in the SEBI's Website under Electronic Data Information Filing And Retrieval System (EDIFAR) and can be retrieved from the web site [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in).

#### L. Compliance of Insider Trading Norms:

The Company in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 has formulated a well defined Insider Trading Policy which prohibits its employees and other associates to deal with the securities of the Company based on any unpublished price sensitive information.

The Insider Trading 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.

**M.** Information required under Clause 49 IV (G) of the Listing Agreement with respect to the Directors retiring by rotation and seeking reappointment / Directors sought to be appointed is as under:-

At the ensuing Annual General Meeting, Dr. Nitish K Sen Gupta, Mr. Sukhendu Ray, Mr. D Ranga Raju and Mr. K Rahul Raju, Directors of the Company, retire by rotation and being eligible seek re-appointment.

On 30<sup>th</sup> July, 2009 Mr. K Raghuraman was appointed as an Additional Directors of the Company.

On 24<sup>th</sup> October, 2009 Mr.N.Vijayaraghavan was re-appointed as Whole-time Director of the Company.

Brief Profiles of the above Directors along with particulars of their directorships and Committee memberships are as under:

- 1. Dr. Nitish K Sen Gupta**, a Doctorate from Delhi University and a Conferred Doctorate by Andhra University and an M.A First Class First Gold Medalist from the University of Calcutta in 1955 and a Post Graduate in Public Administration from Manchester under the British Council Scholarship and an eminent academician. He joined the Indian Administrative Service in 1957 and had held several key positions under the Government of India and in the State Govt. of West Bengal. After retirement from Indian Administrative Service in 1992, he has become Director General of International Management Institute and stepped down in January, 2005. He joined politics in the

year 1996 and was elected to 13<sup>th</sup> Lok Sabha in 1999. He has published many books, viz., Unshackling of Indian Industry, Changing Patterns of Corporate Management, Inside the Steel Frame, Biography of Dr.B.C. Roy, History of the Bengali Speaking People, Strategic Management – Vision of the Future, etc.,

Names of other Indian Companies in which Dr. Nitish K Sen Gupta is a Director:

| S. No. | Name of the Companies                   |
|--------|---|
| 1.     | Credit Analysis & Research Ltd., Mumbai |
| 2.     | BNK Capital Market, Kolkata             |
| 3.     | Inova Securities, New Delhi             |
| 4.     | Hindustan Gum & Chemicals Ltd., Bhiwani |
| 5.     | Evolution Markets India Pvt. Ltd.,      |
| 6.     | MCX Stock Exchange Ltd.,                |

**2. Mr.Sukhendu Ray** born and educated in Calcutta. Graduated in science with mathematics from Calcutta University. Later qualified as a Chartered Accountant from England in 1950. Is presently a Fellow Member of the Institute of Chartered Accountants of England & Wales. After a brief stint in early 1950's with Kettllwell Bullen & Co. Ltd., then a British Managing Agency House in Calcutta, joined Guest, Keen Williams Ltd. In 1954, which was an associate of a Multi National British Engineering Group, Guest, Keen and Nettlefolds Ltd. Was the Managing Director and Chief Executive of the Company for six years before retirement in 1983.

Post-retirement has been involved with the corporate world as a Member on the Boards of several companies, and Chairman of some. Presently, is a Director of six listed Companies. During his working period, had been a Member of the Committee of the Bengal Chamber of

Commerce and Industry, as well as a member of the Central Council of the Association of Indian Engineering Industries (now CII). Had served on the Governing Committees of the Indian Institute of Management, Calcutta, and also of the Indian Institute of Social Welfare and Business Management, an affiliate of Calcutta University.

Names of other Indian Companies in which Mr.Sukhendu Ray is a Director.

| S.No. | Name of the Companies                |
|-------|--------------------------------------|
| 1     | Asiatic Oxygen Ltd                   |
| 2     | Henkel India Ltd                     |
| 3     | Stone India Ltd                      |
| 4     | Henkel Marketing India Limited       |
| 5     | Unimers India Ltd                    |
| 6     | International Combustion (India) Ltd |

**3.Mr. D. Ranga Raju**, aged about 77 years is a Graduate in Commerce and has served the Company as a Board Member since 30<sup>th</sup> April, 1993. He has over 40 years of work experience in Manufacturing and Marketing of Agricultural Chemicals. He initiated Nagarjuna's entry into the pesticide business and until his retirement in 1997, had full operational responsibilities for the entire business unit. His contributions and continued guidance have been invaluable in enabling the Company to meet its strategic goals. Names of other Indian Companies in which Mr. D. Ranga Raju is a Director.

| S.No. | Name of the Companies                       |
|-------|---|
| 1.    | Bhagiradha Chemicals and Industries Limited |
| 2.    | Vijayanagar Biotech Limited                 |
| 3.    | Vijayanagar Iron & Steel Products Pvt.Ltd.  |

**4.Mr. K. Rahul Raju** aged about 34 years is a young and dynamic professional. He is a Member on the Board of most Group Companies. He has been fast propelling Group

into several breakthrough areas, such as, Life Sciences and Biotechnology. He has been instrumental in setting up the state-of-the art Research Centre for carrying out the R & D activities of these new initiatives with a view to strategically position the Group in the global arena. Names of other Indian Companies in which Mr. K. Rahul Raju is a Director.

| S. No. | Name of Public Limited Companies                          |
|--------|---|
| 1.     | Nagarjuna Fertilizers and Chemicals Limited               |
| 2.     | Nagarjuna Oil Corporation Limited                         |
| 3.     | Nagarjuna Corporation Limited                             |
| 4.     | Ikisan Limited  |
| 5.     | Jaiprakash Engineering & Steel Company Limited            |
| 6.     | Biz Softcom Solutions Private Limited                     |
| 7.     | Bijam Private Limited                                     |
| 8.     | Bijam Projects and Estates Private Limited                |
| 9.     | Bijam Bio-sciences Private Limited                        |
| 10.    | KVK Raju International Leadership Academy                 |
| 11.    | Nagarjuna Agricultural Research and Development Institute |
| 12.    | Nagarjuna Foundation                                      |
| 13.    | Nagarjuna Holdings Private Limited                        |
| 14.    | Nagarjuna Management Services Private Limited             |
| 15.    | Agitive Bio Sciences Private Limited                      |
| 16.    | Ontray Internet Services Private Limited                  |

**N. Name and Designation of the Chief Compliance Officer**

Mr. D.Suresh Babu, Vice President-Legal and Company Secretary

**O. GENERAL SHAREHOLDERS INFORMATION**

**a. 23rd Annual General Meeting**

Venue : KLN Prasad Auditorium of federation of Andhra Pradesh Chambers of Commerce and

Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500 004.

Time : 10.00 A.M

Date : Friday, 30th July, 2010

**b. Listing of Stock Exchange and Stock Code**

The Company's securities are listed on the following Stock Exchange.

| S.No. | Names and Addresses of Stock Exchange   | Stock Code |
|-------|---|------------|
| 1.    | Bombay Stock Exchange Limited, 1 <sup>st</sup> Floor, New Trading Ring, Routunda Building, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 | 524709     |

**c. Date of Book Closure** : 23rd July, 2010 to 30th July, 2010 (both days inclusive)

**d. Financial Calendar for the year 2010-2011.**

**Tentative Schedule**

| Accounting year                               | 1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2011 |
|---|---|
| First Quarter Un-audited Results              | July 2010   |
| Second Quarter Half yearly Un-audited Results | October 2010  |
| Third Quarter Un-audited Results              | January 2011  |
| Annual Results (Audited)                      | Within 3 months of the close of the financial year.         |
| Annual General Meeting                        | In accordance with Section 166 of the Companies Act, 1956.  |

#### e. Dividend Patterns

The dividend pattern of the Company is as under

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

f. Market Price Data – High-Low Quotations on The Stock Exchange, Mumbai during the year April, 1 2009 to March 31, 2010 is as follows:

| Month        | Bombay Stock Exchange (Rs.) |        |
|--------------|-----------------------------|--------|
|              | High                        | Low    |
| April ' 2009 | 102.80                      | 65.05  |
| May ' 2009   | 149.50                      | 87.55  |
| June ' 2009  | 172.00                      | 120.30 |
| July ' 2009  | 145.80                      | 112.55 |
| Aug ' 2009   | 155.00                      | 120.05 |
| Sep ' 2009   | 175.00                      | 145.60 |
| Oct ' 2009   | 183.30                      | 151.50 |
| Nov ' 2009   | 248.90                      | 167.00 |
| Dec ' 2009   | 294.00                      | 226.05 |
| Jan ' 2010   | 315.90                      | 232.00 |
| Feb ' 2010   | 282.00                      | 241.15 |
| Mar ' 2010   | 297.00                      | 245.25 |

#### Performance in comparison to BSE Sensex

| Month     | NACL Close Price on BSC (in Rs.) | Close Price BSE Sensex (in Rs.) | Relative Index for Comparison Purpose |                     |
|-----------|----------------------------------|---------------------------------|---------------------------------------|---------------------|
|           |                                  |                                 | NACL (in Rs.)                         | BSE Sensex (in Rs.) |
| Apr - 09  | 93.45                            | 11403.25                        | 100.00                                | 100.00              |
| May - 09  | 132.50                           | 14625.25                        | 141.79                                | 128.26              |
| Jun - 09  | 128.80                           | 14493.84                        | 137.83                                | 127.10              |
| Jul - 09  | 138.20                           | 15670.31                        | 147.89                                | 137.42              |
| Aug - 09  | 152.60                           | 15666.64                        | 163.30                                | 137.39              |
| Sept - 09 | 162.90                           | 17126.84                        | 174.32                                | 150.19              |
| Oct - 09  | 178.95                           | 15896.28                        | 191.49                                | 139.40              |
| Nov - 09  | 230.55                           | 16926.22                        | 246.71                                | 148.43              |
| Dec - 09  | 280.75                           | 17464.81                        | 300.43                                | 153.16              |
| Jan - 10  | 248.85                           | 16357.96                        | 266.29                                | 143.45              |
| Feb - 10  | 259.60                           | 16429.55                        | 277.80                                | 144.08              |
| Mar - 10  | 259.80                           | 17527.77                        | 278.01                                | 153.71              |

