

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 , 30th 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 31st 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 23rd 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 30th 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 24th 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."
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 28th 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 30th 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.

By Order of the Board

D Suresh Babu

VP-Legal & Company Secretary

Place : Hyderabad

Date : 26th 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.

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 30th 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 30th 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 16th September, 2008 and thereafter was appointed as a Whole Time Director of the company for a period of one year with effect from 24th 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 29th 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 24th 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 nd 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 : 26th 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 31st 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
Profit After Taxation	5976	4926
Add : Surplus brought forward	9856	6301
Amount available for appropriation	15832	11227
Appropriations		
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 29th 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 31st 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 field 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 30th 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 31st 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 : 26th 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
1. Electricity :			
(A) Purchases			
Unit	KWH	20737854	23071097
Total Amount (Net of Subsidy)	Rs.in Lakhs	686.31	729.16
Rate / Unit	Rs.	3.31	3.16
(B) Own Generation			
(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
2. Coal (Specify Quality & Where Used)		C Rom - Used for Boiler	
Quantity	MT	26184.60	25982.54
Total Cost	Rs.in Lakhs	764.71	846.99
Average Rate / MT	Rs.	2920.45	3259.85
3. Furnace Oil			
Quantity (K LTRS)	KL	834.40	1562.86
Total Amount	Rs.in Lakhs	218.95	374.48
Average Rate	Rs	32880	23961
4. Other / Internal Generation			
Diesel / Furnace Oil			
Quantity	KL	223.287	94.08
Total Cost	Rs.in Lakhs	57.29	34.74
Rate / Unit (MT)	Rs.	25657	36929
5. Consumption Per Tonne of Production			
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)

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|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Specific areas in which R&D carried out by the Company | a. R& D Work on the existing processes to make them environmentally friendly and cost effective.

b. Indigenous process developments for new products. |
| 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., | a. The plants operate effectively with new addition of products.
b. Exports started growing. |
| 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