

NAGARJUNA AGRICHEM LIMITED
Annual Report 2010-2011

BOARD OF DIRECTORS

Dr. Nitish K Sen Gupta	: Chairman
Sukhendu Ray	: Director
P.K. Mallik	: Director
K.S. Raju	: Director
D. Ranga Raju	: Director
K. Rahul Raju	: Director
K. Lakshmi Raju	: Director
R.S. Nanda	: Director
Sudhakar Kudva	: Director
N. Vijayaraghavan	: Whole Time Director
K. Raghuraman	: Director
V. Vijay Shankar	: Managing Director

SENIOR MANAGEMENT

S.V.S Rama Raju	: President - Operations
R.K.S Prasad	: CFO
D. Suresh Babu	: Vice President -Legal & Company Secretary
S. Chandra Sekhar	: Vice President - Corporate HPD
Manikkam Natarajan	: Vice President - Marketing & Sales
Aseem Kumar Srivastava	: Vice President - Corporate Planning
G. Jagannadha Rao	: Vice President - Exports
Amit Taparia	: Sr.General Manager - Procurement & SCM
Harish Bijilwan	: Sr. General Manager - Business Tech. & Outsourcing
K. Saravanan	: General Manager - Mfg. & Corp. SHE & Q

24th ANNUAL GENERAL MEETING

Day	: Friday
Date	: 12th August, 2011
Time	: 10.00 a.m.
Venue	: KLN Prasad Auditorium, Federation of Andhra Pradesh Chambers of Commerce & Industry, Federation House, No. 11-6-841, Red Hills, Hyderabad - 500 004.

CONTENTS	Page No.
Notice	02
Director Reports	09
Corporate Governance	15
Auditor Report	30
Balance Sheet	34
Profit & Loss account	35
Cash Flow Statement	36
Schedule (A to P)	38
Proxy and Attendance slip	59

Registered Office:

Plot No12-A "C"Block
No.8-2-248/1/7/78,
Nagarjuna Hills, Punjagutta
Hyderabad - 500082
Andhra Pradesh

Factories :

Arinama Akkivalasa
Etcherla Mandal, Srikakulam
Andhra Pradesh

Shadnagar
Nandigaon Village, Kothur Mandal,
Mahaboobnagar, Andhra Pradesh

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

Auditors :

M.Bhaskar Rao & Co.,
Chartered Accountants
5D,Kautilya, Somajiguda
Hyderabad-500 082
Andhra Pradesh

Bankers

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

Share Transfer Agents:

Bigshare Servies Pvt Ltd
G-10 Left Wing, Amrutha Vallie,
Opp. Yashoda Hospital
Somajiguda, Rajbhavan Road,
Hyderabad - 500 082.
Tel : 040-23374967
Telefax : 040-23370295
e-mail : bsshyd@bigshareonline.com

NOTICE

Notice is hereby given that the 24th Annual General Meeting of Nagarjuna Agrichem Limited will be held at 10 a.m on Friday the 12th day of August, 2011 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, 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. K.S Raju who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Mr. P.K.Mallik who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr.Sudhakar Kudva who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. R.S Nanda who retires by rotation and is eligible for re-appointment.
6. To appoint M/s. M. Bhaskara Rao & Co., Chartered Accountants, the retiring Auditors as Statutory Auditors for the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to 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 Wholetime Director

of the Company for a period of One year with effect from 28th October, 2010 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.99,000/- per month.
- ii. Perquisites:
 - a. The Company will pay a fixed sum of Rs. 27,500/- per month by way of House Rent Allowance.
 - b. The Company will pay a sum of Rs.33,000/- per month as Conveyance Allowance.
 - c. The Company will pay a Special Allowance of Rs.39,450/- per month.

The Company will pay one time compensation of Rs.20 lakhs. 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.27,500/- per annum and Leave Travel Concession of Rs. 99,000/- 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 month notice in writing to the other party.”

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

“RESOLVED THAT Mr. V.Vijay Shankar who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 11th May, 2011 and who holds office upto the date of this Annual General Meeting under sec. 260 of the Companies Act, 1956 and Articles 129 of the Articles of Association of the Company but who is eligible for appointment.”

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 the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), approval of the members of the company be and is hereby accorded to the appointment of Mr. V.Vijay Shankar as Managing Director of the Company, for a period of 3 years, with effect from 11.05.2011 to 10.05.2014 upon the terms and conditions including remuneration as set out below and in the explanatory statement annexed to the Notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including the powers conferred by this resolution) to alter and vary any such terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. V. Vijay Shankar.

In accordance with the provisions of Section II, part II of Schedule XIII to the Companies Act, 1956 as in force the particulars of the remuneration to be paid to perquisites to be provided to Mr. V. Vijay Shankar are mentioned below:

Salary :

COMPONENT	AMOUNT IN Rs./- Per Month
Basic Salary	2,50,000
Special Allowance	55,000
Reimbursable Expenses	40,000
TOTAL	3,45,000

Perquisites

House Rent Allowance - Rs. 1,00,000/-p.m. (in case the Company provides a leased accommodation the differential between the cost of the leased accommodation and the HRA will be paid as special allowance). One time joining Payment of Rs 20,00,000/- (Rupees Twenty Lakhs only) shall be paid on joining the Company.

Provident Fund

Contribution of 12% of Basic salary towards Provident Fund. The Company will also contribute 12% of salary towards Provident Fund as per existing law.

Car

Company will provide a Chauffeur driven car fully maintained by the Company.

Leave Travel Assistance

Leave Travel Assistance of Rs.2,50,000/- per annum, on a calendar year basis. This will be paid at the time of annual leave and subject to the LTA Rules of the Company.

Performance Pay

Performance pay of Rs. 14,00,000/- per annum at the end of every completed year of service subject to the appraisal of performance by the Board of Directors of the Company during the period of employment with the Company.

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

GPAP

Coverage under Group Personal Accident Policy.

Club Membership

Free Club Membership not exceeding 2 clubs.

The terms and conditions of his appointment including remuneration payable to him as set out in the resolution herein may be altered and varied from time to time by the Remuneration Committee/ Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, (including any statutory modifications or re-enactments thereof, for the time being in force), or any amendments made thereto.

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

"RESOLVED FURTHER THAT the approval of the members of the company be and is hereby accorded to the payment of minimum remuneration comprising salary and perquisites to Mr. V. Vijay Shankar in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, not exceeding the relevant ceiling limits specified under Section II of Part-II of Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, during the tenure of Mr.V.Vijay Shankar's appointment, the Board of Directors be and is hereby authorised to vary or increase the remuneration, payable to Mr.V.Vijay Shankar, for such remaining period of his tenure, including salary, perquisites, allowances etc., within such prescribed limit or ceiling and the agreement entered into, if any, between the Company and Mr. V.Vijay Shankar shall be suitably amended to give effect to such modification, relaxation or variation without any further reference to or approval by the Company in general meeting."

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

"RESOLVED THAT pursuant to Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the mortgage and / or charge created / to be created by

the Company of all immovable and movable properties of Wind Power Project of the Company situated at Tirunelveli District, Tamil Nadu State , India , both present and future, and / or conferring power to enter upon to take possession of assets of the Company in certain events, to or in favour of State Bank of India, CAG Branch, Panjagutta, Hyderabad for securing the Term Loan of Rs.21.64 Crores together with interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses be and the same are hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to severally delegate all or any of the powers herein conferred to any committee of directors, any director or any officer of the Company to give effect to the aforesaid resolutions."

By Order of the Board

D SURESH BABU

VP-Legal & Company Secretary

Date : 11th May, 2011

Place : Hyderabad

NOTES

1. The explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of the business under Item No. 7 to 10 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 10th August, 2011.
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 – 82.
4. The Register of Members and Share Transfer Books will remain closed from Friday 5th August, 2011 to Friday 12th August, 2011. (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 05.08.2011.
6. Members are advised to avail themselves of 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 to forward

information in relation to the company on a regular basis.

10. All communications 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 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 transfer transacting in the securities market including transfer, transmission or any other corporate action. Accordingly all the Shareholders/Transferees of shares (including joint shareholders) 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.
12. The Company has paid the Listing Fees for the year 2011-2012 to The Stock Exchange, Mumbai where the shares of the Company are listed.
13. Re-appointment of Directors:
At the ensuing Annual General Meeting; Mr. K.S Raju, Mr. P.K Mallik, Mr.Sudhakar Kudva and Mr. R.S Nanda , Directors retire by rotation and being eligible offer themselves for re-appointment. 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.7 :

The Board of Directors at their meeting held on 28th October, 2010, 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. 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 37 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), PGDBM, IIM, Ahmedabad.
Experience and expertise in specific functional area	Over 37 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 re-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. 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. Vijayaraghavan as the Whole-time Director and as set out in Item No .8 of the Notice.

Mr. N.Vijayaraghavan was re-appointed in the Board as a Whole Time Director to assist and advice the Director & COO in matters of strategy, growth and review of the Company. His remuneration was accordingly fixed by the Board at its meeting held on 28th October,2010. However in view of the Director & COO withdrawing from day to day matters due to serving his notice period from October/Nov.2010, Mr. N.Vijayaraghavan has effectively been managing the day to day operations of the Company till the new incumbent has taken over as Managing Director of the Company in the month of May, 2011. In view of the additional efforts and responsibilities made by Mr. N. Vijayaraghavan , an one time compensation of Rs.20 lakhs be made to him.

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.Vijayaraghavan's services and accordingly the Directors commend the Resolutions at Item No. 7 for approval by the Members.

Item No.8 & 9

Mr.V.Vijay Shankar was appointed as an Additional Director of the Company by the Board . Pursuant to Section 260 of the Companies Act 1956, Mr.V.Vijay Shankar will hold office of Director only up to the date of this Annual General Meeting and is eligible for appointment. Company had received a notice in writing from a member together with the deposit amount of Rs.500/- proposing the candidature of Mr.V.Vijay Shankar for the office of the director of the Company under Section 257 of the Companies Act, 1956.

The Board of Directors at their meeting held on 11th May, 2011, subject to the approval of the Members and the Central Government, if necessary, appointed Mr.V.Vijay Shankar as Managing Director of the Company, with immediate effect. Mr.V.Vijay Shankar who joined the Company. He is a Chartered Accountant and he has vast experience in various chemical industries

and extensive experience in Fertilizer & Agri and Automobile sectors over the last three decades through his associations in Zuari-Chambal, Nagarjuna and Mahindra & Mahindra Groups His last assignment was with Zuari Group .

Date of Birth	17 th November, 1956
Qualifications	Fellow Chartered Accountant
Experience and expertise in specific functional area	He has vast experience in various chemical industries and extensive experience in Fertilizers, Agri & Automobile Sectors over the last three decades through his associations in Zuari - Chambal, Nagajurna and Mahinda & Mahindra Groups.
Relationship with other Directors of the Company	None
Current Shareholding in Nagarjuna Agrichem Limited	None
Directorships held in other Indian Public Limited Companies	Zuari Commodity Trading Ltd. Zuari Financial Services Ltd. Zuari Brokers Ltd.
Membership / Chairmanship of Committees in Indian Public Limited Companies	None

The appointment and terms of remuneration of Mr. Vijay Shankar, as Managing Director with effect from 11-5-2011 are pursuant to the provisions of Article 141 of the Company's Articles of Association and Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Act. Mr.V.Vijay Shankar shall not, while he continues to be the Managing 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, 301 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.V.Vijay Shankar as Managing Director and as set out in Item No.8 & 9 of the Notice.

The perquisites and allowances shall be evaluated wherever applicable as per the Income Tax Act, 1961 or any rules thereunder (including any modifications) or re-enactment there of for the time being in force.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Mr.V.Vijay Shankar 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.V.Vijay Shankar pursuant to Section 302 Of the Act.

Memorandum of Interest of Directors

None of the Directors of the Company other than Mr.V.Vijay Shankar 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.V.Vijay Shankar's services and accordingly the Directors commend the Resolutions at Item Nos.8 and 9 for approval by the Members.

Item No. 10

The Company has borrowed monies / Term Loan of Rs. 21.64 Cores from State Bank of India, CAG Branch, and Panjagutta Main Road, Hyderabad for meeting its funds requirement for its Wind Power Project situated at Tirunelveli District, Tamil Nadu State, INDIA. In terms of the agreements entered into with the State Bank of India, CAG Branch, Hyderabad, the Company has provided security as first charge on all wind power project and to deposit of title deeds of immovable properties of Wind Power project assets in favour of said Bank for the said borrowed amount by mortgaging said fixed assets of the Company.

The mortgage and/or charge created by the Company as aforesaid may be regarded as a disposal of the Company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956 which requires the approval of the Members of the Company under the said Section 293(1)(a) of the Act. Accordingly, the Ordinary Resolution at Item No. 10 of the Notice seeking the approval, confirmation and ratification to the creation of the mortgage by the Company in favour of State Bank of India is submitted for your approval.

A copy of the Agreements with State Bank of India, CAG Branch, Hyderabad will be available for inspection by the Members at the Registered Office of the Company between 12.00 Noon and 1.00 P.M on any working day except Saturdays and holidays up to the date of the meeting.

As per the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Public Company can not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking with out the consent of the shareholders in the General Meeting. Consequent to the charges on the Assets will continue and the Company may create further Mortgage/ Hypothecation or Charges on the present and Future Assets of the Company in favour of Banks/ Financial Institutions or any other Lenders.

As the mortgage/ Charge/Hypothecation by the Company on its Assets as aforesaid in favour of the Bank as may be regarded as disposal of the Company's properties / undertaking in certain events of default, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956, for creation of said charge/ mortgage/Hypothecation.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

The Board of Directors recommends the resolution for your approval none of the Directors of the Company is deemed to be concerned or interested in the Resolution.

By Order of the Board

D SURESH BABU

VP-Legal & Company Secretary

Date : 11th May, 2011

Place : Hyderabad

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2011 .

Operating Results

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

(Rs in Lakhs)		
Particulars	2010-11	2009-10
Sales / Income from Operations	57008	65287
Other Income	527	866
Total Income	57535	66153
Profit Before Taxation	645	9127
Less : Provision for Taxation	337	3151
Profit After Taxation	308	5976
Add : Surplus brought forward	14360	9856
Amount available for appropriation	14668	15832
Appropriations		
Your Directors recommend appropriations as under		
Transfer to General Reserve	35	600
Dividend		
- Interim Paid	223	298
- Interim Corporate Dividend Tax	38	51
- Final (Proposed)	-	447
- Provision for Corporate Dividend Tax	-	76
Surplus Carried Forward	14372	14360
Total Appropriations	14668	15832

Performance

During the year under review, Sales were Rs. 570.08 Crores as compared to Rs. 652.87 Crores during the previous year. The Profit after Tax for the year under review was 3.08 Crores as compared to Rs. 59.76 Crores during the previous year. The cash profits for the year under review were Rs.28.20 Crores as compared to Rs. 80.18 Crores during the previous year. The main reason for the reduced profits is the reduction in export orders coupled with severe curtailment in production at Srikakulam due to contract labour disputes .Interest cost have been higher due to capex in Srikakulam and Working Capital. Certain one time write off have also been made in the current year.

Domestic & Export Markets

Agriculture in India witnessed buoyancy in acreage of cotton and soya at the expense of some cereals and a static level of activity in paddy and wheat. Climatically, while inadequacy of water delayed crops in some states in the North during Kharif, the coastal areas of the southern India were affected by unseasonal rains in Rabi. In terms of product categories herbicides continued to grow due to depressed manpower availability, fungicides too registered a growth and usage of insecticides showed a nominal increase.

The growth of domestic sales by your company was in line with the overall increase in the Indian market for crop protection chemicals during the year at around 10%. Continued high inventory levels of company's key product across the major export markets, coupled with depressed demand due to lower fungal attacks in major user countries during most of the calendar year of 2010, resulted in a steep fall in export volumes. The last quarter of the year saw the market off-takes return to the original levels and consequently the export business witnessed a strong upswing. However, the conversion of these orders to business was not complete in the last quarter due to the constraints posed by the labour situation in the plant manufacturing technicals.

Your company has commenced firming up enhanced export volumes for a few key molecules with its customers and also has initiated necessary steps to broaden its portfolio to protect it from the effects of seasonal vagaries in the world markets. Addition of a few pesticides and fine chemicals to the product