



Nagarjuna Agrichem Limited



Annual Report 2015-16



Srikakulam Plant honored with the
“Best Management Award”
for the year 2015-16
by the Government of A.P.



Product launch in International market.

BOARD OF DIRECTORS

Mr.D.Ranga Raju	: Chairman
Mr.K.S.Raju	: Director
Mrs.K.Lakshmi Raju	: Director
Mr.Sudhakar Kudva	: Director
Mr.K.Raghuraman	: Director
Mr.N.Vijayaraghavan	: Director
Mr.Raghavender Mateti	: Director
Mr.V.Vijay Shankar	: Managing Director



Day : Monday
Date : 19th September, 2016
Time : 10.00 a.m.
Venue : Surana Udyog Auditorium
 Federation of Telangana and
 Andhra Pradesh Chamber of
 Commerce and Industry
 (FTAPCCI), Federation House,
 11-6-841, Red Hills,
 Hyderabad-500 004, Telangana State.

SENIOR MANAGEMENT

Mr.Amit Taparia	: Vice President - Procurement & IT
Mr.C.Varada Rajulu	: Vice President - Manufacturing (Srikakulam)
Mr.G.Jagannadha Rao	: Executive Vice President - Exports
Mr.Harish Chandra Bijlwan	: Vice President - Operation & Technology
Mr.J.Satyanarayana Das	: Vice President - Manufacturing (Ethakota)
Mr.Manikkam Natarajan	: Executive Vice President - Marketing & Sales
Mr.R.K.S.Prasad	: Chief Financial Officer
Mr.Satish Kumar Subudhi	: Company Secretary & Head - Legal
Mr.S.Chandra Sekhar	: Sr. Vice President - Corporate HPD
Dr.Venkatesan Subbusamy	: Sr. General Manager - Registration & Regulatory Affairs

CIN:

L24219TG1986PLC016607

REGISTERED OFFICE:

Plot No.12-A, "C" Block,
 Lakshmi Towers,
 No.8-2-248/1/7/78,
 Nagarjuna Hills,
 Punjagutta,
 Hyderabad-500082,
 Telangana State.
 Ph.040-33605123
 e-mail:
 info@nagarjunaagrichem.com
 Website:
 www.nagarjunaagrichem.com

FACTORIES:

Arinama Akkivalasa,
 Etcherla Mandal,
 Srikakulam,
 Andhra Pradesh.

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

R & D CENTRE:

Nandigaon Village,
 Shadnagar, Kothur Mandal,
 Mahaboobnagar Dist.
 Telangana State.

STATUTORY AUDITORS:

M/s M.Bhaskara Rao & Co.,
 Chartered Accountants,
 5-D, Kautilya, Somajiguda,
 Hyderabad-500082.
 Telangana State.

COST AUDITORS:

M/s. K.Narasimha Murthy & Co.,
 Cost Auditors,
 No. 3-6-365, 104 & 105,
 Pavani Estate,
 Himayathnagar,
 Hyderabad-500029.
 Telangana State.

BANKERS:

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

SHARE REGISTRARS & TRANSFER AGENTS:

XL Softech Systems Ltd.
 No.3, Sagar Society,
 Road No.2,
 Banjara Hills,
 Hyderabad-500034.
 Telangana State.
 Ph.040-23545913/914/915
 Fax:040-23553214
 E-mail: xlfield@gmail.com

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NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of M/s. Nagarjuna Agrichem Limited will be held at 10:00 A.M. on Monday, the 19th day of September, 2016 at Surana Udyog Auditorium, M/s. Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, P.B. No.14, Red Hills, Hyderabad – 500004, Telangana State to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2016, the Balance Sheet as on that date and the Cash Flow Statement for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Mr. K.S. Raju (DIN: 00008177) who retires by rotation and being eligible, offers himself for re-appointment.
4. Ratification of appointment of Statutory Auditors of the Company and fixing their Remuneration:

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

“RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 and other applicable Rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants, (Registration No.000459S), as Statutory Auditors of the Company, to hold office from the conclusion of this 29th Annual General Meeting (AGM) till the conclusion of the 30th AGM of the Company to be held in the year 2017 on such remuneration plus service tax, out-of-pocket, travelling and other expenses etc., as may be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS:

5. Ratification of remuneration of the Cost Auditors:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable Rules, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 4,25,000/- (Rupees Four Lakhs Twenty Five Thousand only) plus service tax, out-of-pocket, travelling and other expenses etc., to be paid to M/s. K. Narasimha Murthy & Co., (Registration No.4042) the Cost Auditors appointed to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2017, as fixed by the Board on the recommendation of the Audit Committee, be and is hereby approved and ratified.”

6. Approval for payment of consultancy fees to Non-Executive Director of the Company.

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 Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 and other applicable Rules and Regulations, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members of the Company be and is hereby accorded to the appointment of Mr. N. Vijayaraghavan, Non-Executive Non-Independent Director of the Company, as a consultant to render the consultancy services to the Company on his professional capacity, with effect from 07th February, 2016 for such period, consultancy fees and on such terms and conditions as set out in the explanatory statement attached hereto and the Consultancy Agreement dated 06th February, 2016 entered into between the Company and Mr.N.Vijayaraghavan, which is hereby ratified and approved.

“RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to alter and vary any such terms and conditions of the said appointment and consultancy fees or revise the consultancy fees in such manner as may be acceptable by the Board and Mr. N. Vijayaraghavan, and such agreement shall be suitably amended to give effect to such modification, relaxation or variation.”

“RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorized, empowered and directed

by the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit to give effect to this resolution.”

7. Determination of charges to be collected for delivery of document(s) by a particular mode:

“RESOLVED THAT pursuant to the provisions of Section 20 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder (“the Rules”) (including any statutory modification(s) or re-enactment(s) of the Act and/ or the Rules for the time being in force) authority be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof which the Board may have constituted or herein after constitute to exercise its powers including the powers conferred by this resolution) to determine the fee to be charged from a member who requests delivery of any document through a particular mode.”

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty and doubt that may arise in respect of the aforesaid matter to give effect to the above resolution.”

By order of the Board

Satish Kumar Subudhi

Company Secretary & Head-Legal
(ACS 12211)

Place : Hyderabad

Dated : 06th August, 2016

Registered Office:

CIN: L24219TG1986PLC016607

Plot No.12-A, “C”- Block, Lakshmi Towers,
No.8-2-248/1/7/78, Nagarjuna Hills, Panjagutta,
Hyderabad-500082, Telangana State, INDIA.

Ph.040-33605123.

e-mail : investors@nagarjunaagrichem.com

Website : www.nagarjunaagrichem.com

Notes:

1) A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a Member of the Company:

Proxies / Power of Attorney forms, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the scheduled time of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is attached herewith.

2) Explanatory Statement:

The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business items is given below and forms part hereof.

3) Director proposed to be appointed/re-appointed:

Members may kindly refer “Corporate Governance Report” (forms part hereof), for details, about the Directors to be appointed/re-appointed.

4 a) Book Closure:

The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 12th September, 2016 to Monday, 19th September, 2016 (both days inclusive).

b) Dividend:

The dividend on Equity Shares for the financial year 2015-16, will be paid after declaration by the members:

- i) in respect of shares held in physical form, to those members whose names appear on the Register of Members of the Company on 09th September, 2016, after giving effect to all valid share transfer documents lodged with the Company / its RTA on or before 09th September, 2016.
- ii) in respect of shares held in electronic form, to those beneficial owners whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of 11th September, 2016.

5) Unclaimed Dividend:

- a) The Members are hereby informed that the Company would transfer the dividends, which remains unpaid/unclaimed for a period of 7 (seven) years, to the Investors Education and Protection Fund (IEPF) constituted by the Central Government under Section 125 of the Companies Act, 2013.
- b) Further the Company shall not be in a position to entertain the claims of the Shareholders for the unclaimed dividends which have been transferred to IEPF.

- c) In view of the above, the Shareholders are advised to send their requests for payment of unpaid dividend pertaining to the years, 2008-09 (final dividend) to 2014-15 (final dividend) to the Share Transfer Agent (RTA) office or to the Registered Office of the Company at Hyderabad for issue of cheques/demand drafts before the due dates for transfer to the IEPF.
- d) Members may please refer to "Corporate Governance Report" (forms part hereof) for details of unclaimed dividend amount credited to IEPF account during the year 2015-16.

6) a) Members Nomination:

- i. Members are advised to avail themselves of nomination facility as per the Section 72 of the Companies Act, 2013. Facility for making nomination is available for the Members in respect of the shares held by them.
- ii. Members holding shares and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Further, a Member who desires to cancel the earlier nomination and record fresh nomination may submit the same in Form No. SH-14. Both the Forms for "Nominations" and "Cancellation or Variation of Nomination can be availed from the RTA or can be downloaded from the Company's website.
- iii. Members holding shares in physical form are requested to submit the forms to the Company's Share Registrars and Transfer Agents (RTA). The members holding shares dematerialized form are requested to file the Nomination/ Cancellation or Variation in Nomination forms with their respective Depository Participants in prescribed form.

b) Updation of members details:

- i. The format of the Register of members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Share Transfer Agent to record additional details of members, including email address, bank details for payment of dividend etc. In this regard, a form for capturing the additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit their filled in form to the Company or the Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
- ii. The Securities and Exchange Board of India (SEBI) has mandated the submission of

Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its RTA (Share Transfer Agent).

7) Corporate Members:

Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representatives for voting purpose and to attend at the Annual General Meeting (AGM).

8) Important Communication to Members:

- a) All communications relating to the shares may be addressed to our Share Transfer Agent (RTA) Office i.e., M/s. XL Softech Systems Limited,
(Unit: Nagarjuna Agrichem Limited) No.3, Sagar Society,
Road No.2, Banjara Hills, Hyderabad-500034, TS
Telephone No: 040-23545913 /914/915;
Fax No.040-23553214, e-mail ID:xlfield@gmail.com
- b) The members may please visit the Company's Website: www.nagarjunaagrichem.com to find more information about the Company.
- c) The Ministry of Corporate Affairs, Government of India has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this Green Initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by submitting the e-mail Registrations Form attached with this Annual Report.
- d) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

- e) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA of the Company for assistance in this regard.
- f) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- g) Electronic copy of the Annual Report for 2015-16 is being sent to all members whose email addresses are registered with the Company/Depository Participants for communication purposes, unless any members has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 are being sent in the permitted mode.

9) Listing Fees:

The Company has paid the Listing Fees for the year 2016-17 to BSE Limited, Stock Exchange where the Companies share are listed, Mumbai where the equity shares of the Company are listed.

10) Members are requested to:

- a) send their queries, if any, to reach the Company's Registered Office at Hyderabad at least 7 days before the date of the Meeting so that information can be made available at the Meeting.
- b) bring their copy of the Annual Report and Attendance Slip with them to the Meeting.
- c) to bring their DPID and Client ID numbers for easy identification of attendance at the venue of AGM, who hold shares in dematerialized form;
- d) send their e-mail address to the Company/RTA for prompt communication.
- e) to quote their Regd. Folio Number or DP and Client ID Numbers in all their correspondence with the Company/RTA.

11) Instructions about Voting:

In terms of Section 108 and other applicable provisions of Companies Act, 2013, read with Regulation 4(2)(a) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and to facilitate the members, the Company is providing e-voting, besides the polling process to be conducted at the AGM venue.

The members are requested to opt for any one mode of voting i.e., either through e-voting or through polling process to be conducted at the AGM. If a member cast votes by both modes, then voting done through a valid e-vote shall prevail and voting through polling process

conducted at AGM shall be treated as invalid. Please refer to the following instructions for voting through electronic means:

A) e-Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is providing Members facility to exercise their right to vote by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:
 - i) Log on to the e-voting website www.evotingindia.com
 - ii) Click on "Shareholders" tab.
 - iii) Select the "NAGARJUNA AGRICHEM LIMITED" from the drop down menu and click on "SUBMIT"
 - iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID. Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
 - v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.
 - vi) Fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
DIVIDEND BANK DETAILS	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN Field.

* Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the relevant EVSN for Nagarjuna Agrichem Limited.
- xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- xviii) E-Voting by Mobile app:
Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case members have any queries or issues regarding e-voting, they may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The e-voting period begins on 15th September, 2016 (10.00 am) and ends on 18th September, 2016 (5.00 p.m.). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as of 09th September, 2016 (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. In case members have any queries or issues regarding e-voting, they may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help Section or write an email to helpdesk.evoting@cdslindia.com or investors@nagarjunaagrichem.com

- IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 09th September, 2016.
- V. Mr. C. K. Burma, Practicing Company Secretary (Membership No:9566), Proprietor of M/s. C. K. Burma & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company.

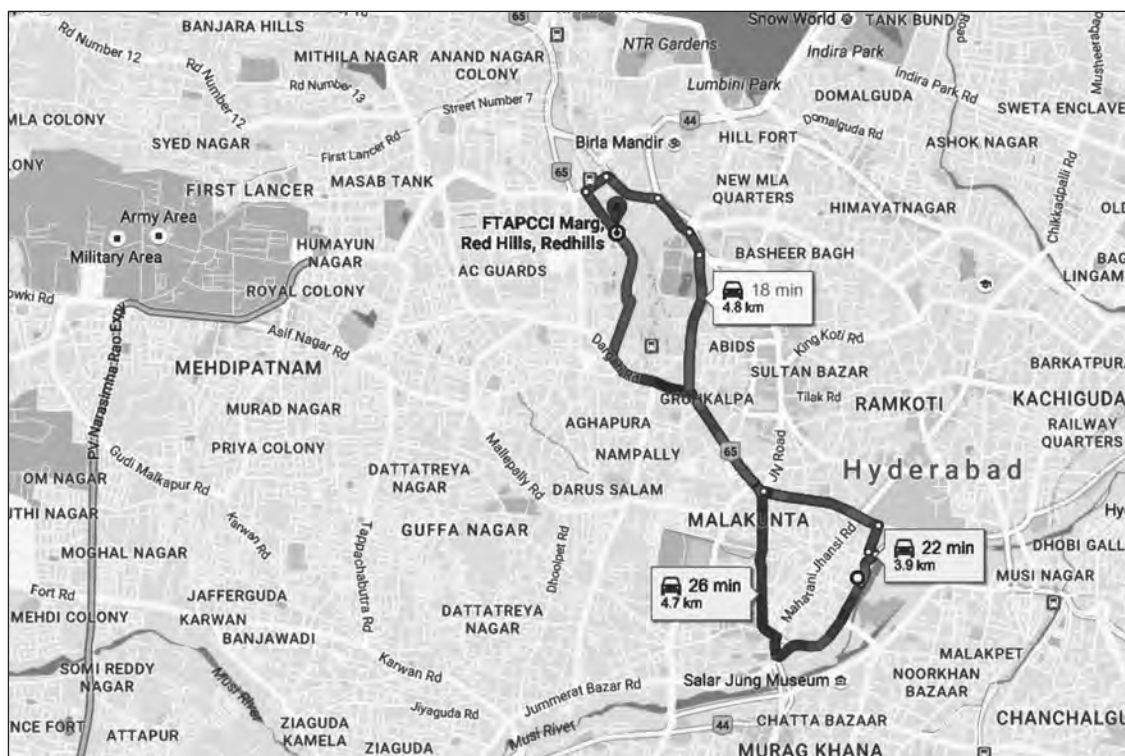
B) Other Instructions:

- I. The Scrutinizer will collate the votes downloaded from the e-voting system and votes casted during the polling

process conducted at Annual General Meeting venue, to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.

- II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.nagarjunaagrichem.com and be communicated to the Stock Exchanges where the Company's shares are listed, i.e., BSE Limited, stock exchange where the Companies share are listed.
- III. Members may address any query to Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal, at the Registered Office of the Company, Tel. No.040-33605123/124/125, Fax No. 040-23358062 Email: investors@nagarjunaagrichem.com; Website: www.nagarjunaagrichem.com

Route Map to the AGM Venue i.e, FTAPCCI, Red Hills, Hyderabad.



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS ITEMS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.5:

The Board of Director of the Company, on recommendation of the Audit Committee, has approved the appointment of the Cost Auditors namely M/s K. Narasimha Murthy & Co., (Registration No.4042), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, at a remuneration of ₹ 4,25,000/- (plus service tax, out-of-pocket, travelling and other expenses etc.).

In accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors has to be approved and ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Shareholders.

None of the Directors / Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No.6:

Mr.N.Vijayaraghavan, a Non-Executive Non-Independent Director of the Company, is a B. Tech., (Metallurgy) from Indian Institute of Technology (IIT), Chennai and a Post Graduate Diploma in Business Administration from IIM, Ahmadabad. He possesses over 38 years of wide corporate experience. He worked in various senior positions in the wide industry spectrum of Companies like L&T, ITW Signode, Sterlite Industries etc. His experience includes various manufacturing fields, marketing management and general management.

To take the best use of his knowledge and expertise, it was proposed to engage Mr. N.Vijayaraghavan as a Consultant, for rendering specialized professional natured consultancy services to the Company. In terms of Section 197(4)(b) and other applicable provisions of the Companies Act, 2013, the Nomination and Remuneration Committee, at its meeting held on 06th February, 2016, took note of the qualification and experience of Mr.N.Vijayaraghavan, and opined that he possess the requisite qualification to render professional natured services to the Company.

Further, pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 read with Regulation 18, 23 and other applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Audit Committee and the Board of Directors of the Company at their respective meetings held on 06th February, 2016, accorded their respective approvals for the for the appointment of Mr. N. Vijayaraghavan as a consultant to render the consultancy services to the Company on his professional capacity, with effect from 07th February, 2016 for such period, consultancy fees and on such terms and conditions as set out herein below and of the Consultancy Agreement dated 06th February, 2016 entered into between the Company and Mr.N.Vijayaraghavan:

1. Term: The Consultancy Agreement shall be effective from the date of its execution and shall be valid for an initial period of 2 (Two) years from the date of Agreement (i.e., 06th February, 2016), or earlier termination of the Agreement. The Agreement shall be renewed automatically for a period of one year each, after the expiry of said initial period of one year (the 'Consultancy period'), until one month prior notice is receives by either of the parties.
2. Consultancy fees:
 - a) A onetime consultancy fees of Rs. 4,00,000/- (Rupees Four Lakhs Only) shall be paid to Mr. N. Vijayaraghavan for carrying out preliminary study and analysis during 07th February, 2016 to 31st March, 2016.
 - b) Thereafter, a retainership fee of Rs 2,40,000/- (Rupees Two Lakhs and Forty Thousand) per month shall be paid to Mr. N. Vijayaraghavan, with effect from 01st April, 2016, payable either monthly, bi-monthly or quarterly, during the tenure of Agreement.
 - c) Reimbursement of all pre-approved expenses reasonably incurred in the performance of the said services by Mr. N. Vijayaraghavan, upon submission and approval of the written statement and receipts in accordance with the then regular procedure of the Company.

The copy of the said agreement along with the relevant documents will be available for inspection at the AGM venue and during the office hours at the Registered Office of the Company, till the conclusion of voting.

Pursuant to Section 197 of the Companies Act, 2013 and Regulation 17(6) of the Securities and Exchange Board