



NFCL

Board of Directors

K S Raju

Chairman & Managing Director

Ashok Chopra

Nominee of Snamprogetti

B K Batra

Nominee of IDBI

Chandra Pal Singh Yadav

Nominee of KRIBHCO

B Sam Bob

Nominee of Government of Andhra Pradesh

Secretary

M Ramakanth

N C B Nath

Auditors

M/s. M Bhaskara Rao & Co.,
Chartered Accountants
Hyderabad - 500 082
INDIA

M P Radhakrishnan

Nominee of SBI

S R Ramakrishnan

Registered Office

Nagarjuna Hills
Hyderabad - 500 082
INDIA

B B Tandon

Nominee of IFCI

P P Singh

Director (Technical)

Website

www.nagarjunafertilizers.com

R S Nanda

Director & Chief Operating Officer

Factory

Kakinada - 533 003
East Godavari Dist.
Andhra Pradesh
INDIA

K Rahul Raju

Joint Managing Director



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NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD ANNUAL GENERAL MEETING OF NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED WILL BE HELD AT 10.00 A.M ON SEPTEMBER 17, 2009 AT SRI SATYA SAI NIGAMAGAMAM, 8-3-987/2, SRINAGAR COLONY, HYDERABAD - 500 073 TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS

1. To receive, consider and adopt the 33rd Annual Report of the company, Balance Sheet as at March 31, 2009, the Profit and Loss Account for the financial year ended March 31, 2009, the Cash Flow Statement for the financial year ended March 31, 2009, and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on preference shares for the year ended March 31, 2009.
3. To appoint a Director in the place of Shri S R Ramakrishnan, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Shri Chandra Pal Singh Yadav, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Shri Ashok Chopra, who retires by rotation and is eligible for re-appointment.
6. To consider and if thought fit, to pass with or without modification(s) the following resolution which will be proposed as an Ordinary Resolution :
 "RESOLVED THAT the retiring Auditors of the company, M/s. M Bhaskara Rao and Co., Chartered Accountants, Hyderabad, being eligible for reappointment be and are hereby re-appointed as Auditors of the company to hold office from the conclusion of the 33rd Annual General Meeting up to 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."

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT subject to Sections 198, 269, 309 and Schedule XIII and other applicable provisions of the Companies Act, 1956 Shri P P Singh, be and is hereby re-appointed as Director (Technical) of the company for a further period of one year with effect from February 24, 2009 to February 23, 2010, subject to the necessary approvals of the Financial Institutions".
 "RESOLVED FURTHER THAT Shri P P Singh, be and is hereby paid the following remuneration and perquisites during the term of his office and the same also be paid as minimum remuneration in the event of inadequacy or absence of profits in any financial year, during his term of office."
1. **Salary**
 Salary (including dearness allowance and all other allowances) – Rs.1.75 lakh per month
2. **Commission – Nil**
3. **Perquisites**
 Perquisites shall be restricted to an amount equal to the annual salary.
- i. **Housing:**
 - a. The expenditure incurred by the company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary; or
 - b. In case the accommodation is owned by the company, ten percent of the salary shall be deducted by the company; or
 - c. In case no accommodation is provided by the company, Shri P P Singh shall be entitled to house rent allowance subject to the ceiling laid down in clause (a).

Explanation: The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of ten per cent of the salary.

ii. **Medical Reimbursement:**

Reimbursement of the expenses incurred for self and family subject to a ceiling of one month's salary in a year

iii. **Leave Travel Concession:**

Leave travel concession for self and family once in a year, incurred in accordance with the rules of the company.

Explanation: Family for (ii) and (iii) means the spouse, the dependant children and dependant parents.

iv. **Club Fees:**

Fees of clubs subject to a maximum of two clubs. No admission and life membership fee shall be paid.

v. **Personal Accident Insurance:**

Personal accident insurance of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.

vi. a. Company's contribution towards provident fund as per the rules of the company.

b. Gratuity as per the rules of the company.

c. Company's contribution towards superannuation fund as per the rules of the company.

The aforesaid perquisites stated in (vi)(a), (vi)(b) and (vi) (c) shall not be included in the computation of minimum remuneration to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

vii. **Earned Leave:**

On full pay and allowances and perquisites, as per the rules of the company. Encashment of leave at the end of the tenure shall not be included in the computation of the minimum remuneration.

viii. Car for use on company's business and telephone at residence shall not be considered as perquisites".

"RESOLVED FURTHER THAT the remuneration specified above for Shri P P Singh, Director (Technical) may, subject to overall ceiling specified above and subject to Schedule XIII of the Companies Act, 1956, be modified as may be agreed to by the company and Shri P P Singh, Director (Technical)".

"RESOLVED FURTHER THAT the perquisites mentioned above shall be interchangeable within the overall ceiling of the annual salary of Shri P P Singh, Director (Technical)".

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

"RESOLVED THAT subject to Sections 198, 269, 309 and Schedule XIII and other applicable provisions of the Companies Act, 1956 Shri K Rahul Raju be and is hereby re-appointed as Joint Managing Director of the company for a further period of five years with effect from June 26, 2009 to June 25, 2014 subject to the necessary approvals of the Financial Institutions".

"RESOLVED FURTHER THAT Shri K Rahul Raju, be and is hereby paid the following remuneration and perquisites during the term of his office and the same also be paid as minimum remuneration in the event of inadequacy or absence of profits in any financial year, during his term of office."

1. **Salary**

Salary (including dearness allowance and all other allowances) – Rs.1,50,000/- per month

2. **Commission - Nil**

3. **Perquisites**

Perquisites shall be restricted to an amount equal to the annual salary.



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i. **Housing:**

- a. The expenditure incurred by the company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary; or
- b. In case the accommodation is owned by the company, ten per cent of the salary shall be deducted by the company; or
- c. In case no accommodation is provided by the company, Shri K Rahul Raju shall be entitled to house rent allowance subject to the ceiling laid down in clause (a).

Explanation: The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of ten per cent of the salary.

ii. **Medical Reimbursement:**

Reimbursement of the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

iii. **Leave Travel Concession:**

Leave travel concession for self and family once in a year, incurred in accordance with the rules of the company.

Explanation: Family for (ii) and (iii) means the spouse, the dependant children and dependant parents.

iv. **Club Fees:**

Fees of clubs subject to a maximum of two clubs. No admission and life membership fee shall be paid.

v. **Personal Accident Insurance:**

Personal accident insurance of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.

- vi. a. Company's contribution towards provident fund as per the rules of the company.
 - b. Gratuity as per the rules of the company.
 - c. Company's contribution towards superannuation fund as per the rules of the company.
- The aforesaid perquisites stated in (vi)(a), (vi)(b) and (vi) (c) shall not be included in the computation of minimum remuneration to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

vii. **Earned Leave:**

On full pay and allowances and perquisites, as per the rules of the company. Encashment of leave at the end of the tenure shall not be included in the computation of the minimum remuneration.

- viii. Car for use on company's business and telephone at residence shall not be considered as perquisites".

"RESOLVED FURTHER THAT the remuneration specified above for Shri K Rahul Raju, Joint Managing Director may, subject to overall ceiling specified above and subject to Schedule XIII of the Companies Act, 1956, be modified as may be agreed to by the company and Shri K Rahul Raju, Joint Managing Director".

"RESOLVED FURTHER THAT the perquisites mentioned above shall be interchangeable within the overall ceiling of the annual salary of Shri K Rahul Raju, Joint Managing Director".

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

"RESOLVED THAT subject to Sections 198, 269, 309 and Schedule XIII and other applicable provisions of the Companies Act, 1956 Shri R S Nanda, be and is hereby re-appointed as Director and Chief Operating Officer of the company for a further period of one year with effect from June 26, 2009, subject to the necessary approvals of the financial institutions".

"RESOLVED FURTHER THAT Shri R S Nanda, be and is hereby paid the following remuneration and perquisites during the term of his office and the same also be paid as minimum

remuneration in the event of inadequacy or absence of profits in any financial year, during his term of office."

1. **Salary**

Rs.1.75 lakh per month (including dearness allowance and other allowances)

2. **Commission - Nil**

3. **Perquisites**

Perquisites shall be restricted to an amount equal to the annual salary.

i. **Housing:**

- a. The expenditure incurred by the company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary; or
- b. In case the accommodation is owned by the company, ten per cent of the salary shall be deducted by the company; or
- c. In case no accommodation is provided by the company, Shri R S Nanda shall be entitled to house rent allowance subject to the ceiling laid down in clause (a).

Explanation: The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of ten per cent of the salary.

ii. **Medical Reimbursement:**

Reimbursement of the expenses incurred for self and family subject to a ceiling of one month's salary in a year.

iii. **Leave Travel Concession:**

Leave travel concession for self and family once in a year, incurred in accordance with the rules of the company.

Explanation: Family for (ii) and (iii) means the spouse, the dependant children and dependant parents.

iv. **Club Fees:**

Fees of clubs subject to a maximum of two clubs. No admission and life membership fee shall be paid.

v. **Personal Accident Insurance:**

Personal accident insurance of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.

- vi. a. Company's contribution towards provident fund as per the rules of the company.
 - b. Gratuity as per the rules of the company.
 - c. Company's contribution towards superannuation fund as per the rules of the company.
- The aforesaid perquisites stated in (vi)(a), (vi)(b) and (vi) (c) shall not be included in the computation of minimum remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

vii. **Earned Leave:**

On full pay and allowances and perquisites, as per the rules of the company. Encashment of leave at the end of the tenure shall not be included in the computation of the minimum remuneration.

- viii. Car for use on company's business and telephone at residence shall not be considered as perquisites".

"RESOLVED FURTHER THAT the remuneration specified above for Shri R S Nanda, Director and Chief Operating Officer may, subject to overall ceiling specified above and subject to Schedule XIII of the Companies Act, 1956, be modified as may be agreed to by the company and Shri R S Nanda, Director and Chief Operating Officer".

"RESOLVED FURTHER THAT the perquisites mentioned above shall be interchangeable within the overall ceiling of the annual salary of Shri R S Nanda, Director and Chief Operating Officer".

Hyderabad
April 29, 2009

By Order of the Board
M Ramakanth
Secretary

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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 and such a proxy need not be a member of the company.
2. Instrument of proxies in order to be effective must be deposited at the company's registered office not less than 48 hours before the meeting.
3. Members are requested to notify immediately the change, if any, of the address registered with the company.
4. Members desiring to seek any information on the annual accounts are requested to write to the company at an early date to enable compilation of information.
5. The Securities and Exchange Board of India has notified your company's equity shares for compulsory trading in the dematerialised form for institutional investors from June 26, 2000, and for other investors from August 20, 2000.
Shareholders may also avail of the facility of trading in the demat form and may contact the company in this regard.
6. The Register of Members and the Share Transfer Books will remain closed from September 1, 2009, to September 17, 2009, (both days inclusive).
7. The company's equity shares are now traded only on the National Stock Exchange of India Limited (NSE) and The Stock Exchange, Mumbai (BSE).
8. The company has paid the listing fees for the year 2009 – 2010 to The Stock Exchange, Mumbai and The National Stock Exchange of India Limited, Mumbai, where the securities of the company continue to be listed.
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 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 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.
11. The company has designated an exclusive email ID called **investors@nagarjunagroup.com** for redressal of shareholder's complaints / grievances. In case you have any queries / complaints or unresolved grievances, then please write to us at **ramakanthm@nagarjunagroup.com**.
12. All communication relating to shares are to be addressed to the company or the company's Share Transfer Agent, XL Softech Systems Limited, Plot No.3, Road No.2, Sagar Society, Banjara Hills, Hyderabad – 500 034.

Explanatory Statement under Section 173 (2) for Item Nos. 7 to 9 of the Notice for the 33rd Annual General Meeting to be held on September 17, 2009

Item No. 7:

Shri P P Singh was appointed as Director (Operations) of the company with effect from February 24, 2001, for a period of three years, thereafter re-appointed for a further period of two years with effect from February 24, 2004, and was re-designated as Director (Technical). He has since then been appointed on a yearly basis.

Shri P P Singh looks after the expansion plans and technology related issues of the company.

In view of the experience and expertise of Shri P P Singh, it would be desirable to re-appoint Shri P P Singh as Director (Technical) of the company. Your Directors commend the reappointment of Shri P P Singh as Director (Technical) of the company for a further period of one

year effective February 24, 2009, on the terms and conditions stated in the notice.

The Board of Directors of the company at their meeting held on January 20, 2009 approved the re-appointment of Shri P P Singh as Director (Technical) of the company for a period of one year with effect from February 24, 2009 based on the commendation of the remuneration committee.

None of the Directors of the company except Shri P P Singh may be deemed to be concerned or interested in this resolution

Item No. 8:

The Board of Directors of the company at their meeting held on June 26, 2004, appointed Shri K Rahul Raju as Director – Business Development & Strategic Planning for a period of five years effective from June 26, 2004, subject to necessary approvals.

The shareholders at their meeting held on September 22, 2004, approved the appointment of Shri K Rahul Raju as Director – Business Development & Strategic Planning for a period of five years with effect from June 26, 2004, and also approved the remuneration payable to Shri K Rahul Raju.

The Board of Directors of the company at their meeting held on October 30, 2008, re-designated Shri K Rahul Raju as Joint Managing Director of the company with effect from November 1, 2008 upto June, 25, 2009, with same terms and conditions of appointment as Director - Business Development and Strategic Planning.

The Board of Directors of the company at their meeting held on April 29, 2009 approved the reappointment of Shri K. Rahul Raju as Joint Managing Director of the company for a further period of five years effective from June 26, 2009 based on the commendation of the remuneration committee.

In view of the expertise of Shri K Rahul Raju, it would be necessary to extend the term of office of Shri K Rahul Raju for a further period of five years effective June 26, 2009. Your Directors commend the resolution for approval.

None of the Directors of the company except Shri K S Raju (being related to Shri K Rahul Raju) and Shri K Rahul Raju may be deemed to be concerned or interested in this resolution.

Item No. 9:

Shri R S Nanda was appointed as Director and Chief Operating Officer of the company at the Meeting of the Board of Directors held on June 26, 2004, for a period of three years with effect from June 26, 2004. He has since then been appointed on a yearly basis.

The Board of Directors of the company at their meeting held on April 29, 2009, approved the reappointment of Shri R S Nanda as Director and Chief Operating Officer of the company for a further period of one year with effect from June 26, 2009, based on the commendation of the remuneration committee.

His vast experience and expertise would immensely benefit the company.

In view of the experience and expertise of Shri R S Nanda, it would be necessary to extend the term of office of Shri R S Nanda for a further period of one year effective June 26, 2009.

Your Directors commend the resolution for approval. None of the Directors of the company except Shri R S Nanda may be deemed to be concerned or interested in this resolution.

Inspection of Documents

The documents pertaining to Special Business are available for inspection at the Registered Office of the company between 10.30 a.m. and 12.30 p.m. on any working day prior to the meeting.

Hyderabad
April 29, 2009

By Order of the Board
M. Ramakanth
Secretary



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Addendum to the Notice convening the 33rd Annual General Meeting to be held on September 17, 2009

Special Business :

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

"RESOLVED THAT in accordance with Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the company and the existing Guidelines of the Securities and Exchange Board of India (SEBI) and subject to all consents and permissions required by law and subject to such conditions and modifications as may be imposed, and accepted by the Board of Directors of the company (hereinafter referred 'The Board'), which term shall include any Committee which the Board of Directors of the company may constitute or may hereafter constitute, the consent of the company be and is hereby accorded to the Board to re-issue on preferential basis 3,75,151 forfeited equity shares of the company of the face value of Rs.10/- each for cash to Nagarjuna Holdings Private Limited, one of the Core Promoters of the company (hereinafter referred to as the re-issue) as follows :

- The re-issue price of the shares shall be in accordance with the Guidelines for Preferential Issue of Shares
The relevant date for purpose of determination of the price of the shares shall be thirty (30) days prior to the date of the general body meeting i.e., August 17, 2009.
- The re-issued shares shall rank pari - passu in all respects with the existing shares."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions and matters arising out of, and incidental to the proposed offer and re-issue of forfeited equity shares and to take all steps which the Board, in its absolute discretion, considers necessary, proper or expedient for implementing this resolution".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to make on its own accord or to accept such amendments, modifications, variations and alterations and to amend, modify, or vary or alter all or any of the terms of the re-issue of forfeited equity shares on such terms as the Board may in its absolute discretion decide"

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

"RESOLVED THAT pursuant to Section 372A and other applicable provisions of the Companies Act, 1956 and other applicable laws and subject to the approval of financial institutions, the Board of Directors of the company be and are hereby authorised to acquire by purchase or otherwise, all of the equity shares upto an amount of Rs.5,00,000/- constituting 50,000 fully paid equity shares of Rs.10/- each in the equity share capital of Kakinada Fertilizers Limited (KFL), a company incorporated under the Companies Act, 1956 and having its registered office at No.10-4-771/5/1/A, Sriram Nagar Colony, Masab Tank, Hyderabad – 500 028, from the existing shareholders of KFL ."

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all such acts, deeds, matters and things as in absolute discretion may be considered necessary, expedient or desirable and to settle any question that may arise thereto in order to give effect to the foregoing resolution or otherwise considered by the board of directors to be in the interest of the company."

By Order of the Board
M Ramakanth
Secretary

Hyderabad
July 23, 2009

Explanatory Statement under Section 173 (2) for Item Nos.10 and 11 of the Addendum to the Notice for the 33rd Annual General Meeting to be held on September 17, 2009

Item No.10

Your Directors at their meeting held on July 23, 2009 forfeited 3,75,151 equity shares for non-payment of outstanding allotment/ call money due. Prior to the forfeiture, your company had mailed forfeiture notices dated May 15, 2009 to 2,614 shareholders in respect of 4,28,731 equity shares. 2,286 shareholders in respect of 3,75,151 equity shares have not remitted the outstanding call/allotment money due and their shares now stand forfeited. This was apart from notice being mailed earlier at regular intervals.

Article 27 of the Articles of Association of the Company provides that any share forfeited, shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

Your Directors now propose to re-issue the 3,75,151 forfeited equity shares of the face value of Rs.10/- each on preferential basis to Nagarjuna Holdings Private Limited, a Core Promoter, at an issue price determined as per the Guidelines for Preferential Issue of Shares.

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, any offer or issue of shares in a company made to persons other than the holders of the equity shares of a company requires prior approval of the shareholders in a general meeting by a Special Resolution. The Listing Agreements executed by the company with the Stock Exchanges also provide that the company shall, in the first instance, offer all forfeited Securities for subscription on pro rata basis to the existing Shareholders unless the Shareholders in a general meeting decide otherwise.

As per regulation 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time, the required details are furnished as under:

a. Objects of the issue through preferential offer:

Since the number of forfeited equity shares available for re-issue, being less and not adequate to offer to all the shareholders on rights basis, it is proposed to re-issue the said shares on preferential basis to one of the Core Promoters, Nagarjuna Holdings Private Limited.

b. Pricing:

The pricing of the Shares shall not be lower than the price determined in accordance with Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000 - Guidelines for Preferential Issues.

The subscriber to the re-issue has agreed to pay the price determined in accordance with Guidelines for Preferential Issue of Shares and not the unpaid balance on the shares forfeited.

c. Intention of Promoters/Directors/Key Management persons to subscribe to the offer:

Nagarjuna Holdings Private Limited has consented to subscribe to the re-issue of forfeited equity shares being offered on Preferential basis.

Shri K S Raju, Chairman & Managing Director and Shri K Rahul Raju, Joint Managing Director may be deemed to be interested in the resolution. They are personally not subscribing to the reissue of shares.

Other Directors and Key Management personnel are not interested in this item and they do not intend to subscribe to the offer.

d. Relevant Date:

The Relevant Date for purpose of determination of the price of the shares shall be thirty (30) days prior to the date of the general body meeting i.e., August 17, 2009.

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e. Shareholding Pattern of the Company before and after the issue :

The Shareholding Pattern before, i.e. as on June 30, 2009 and the one likely to emerge after the proposed re-issue of Equity Shares would be as under:

Category Code	Category of Shareholder	Pre Issue as on June 30, 2009		Post Issue	
		No. of Shares	% of Holding	No. of Shares	% of Holding
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
A	Promoter	13,91,03,328	32.49	13,94,78,479	32.58
B	Persons Acting in Concert	-	-	-	-
(2)	Foreign				
A	Promoters	-	-	-	-
B	Persons Acting in Concert	-	-	-	-
C	Bodies Corporate	1,20,00,000	2.80	1,20,00,000	2.80
	Total Shareholding of Promoter and Promoter Group	15,11,03,328	35.29	15,14,78,479	35.38
(B)	Public Shareholding				
(1)	Institutions				
A	Mutual Funds / UTI	1,64,23,236	3.84	1,64,23,236	3.84
B	Financial Institutions / Banks	3,22,888	0.08	3,22,888	0.08
C	Insurance Companies	89,27,316	2.08	89,27,316	2.08
D	Foreign Institutional Investors	1,84,59,141	4.31	1,84,59,141	4.31
	Sub-Total (B)(1)	4,41,32,581	10.31	4,41,32,581	10.31
(2)	Non-Institutions				
A	Bodies Corporate	5,86,61,697	13.70	5,86,61,697	13.70
B	Individuals	16,64,54,868	38.87	16,60,79,717	38.78
C	Others				
	Clearing Members	28,63,607	0.67	28,63,607	0.67
	Foreign Nationals	-	-	-	-
	Non-Resident Indians	49,65,740	1.16	49,65,740	1.16
	Overseas Corporate Bodies	-	-	-	-
	Trusts	-	-	-	-
	HUFs	-	-	-	-
	Sub-Total (B)(2)	23,29,45,912	54.40	23,25,70,761	54.31
	Total Public Shareholding (B) = (B)(1) + (B)(2)	27,70,78,493	64.71	27,67,03,342	64.62
(C)	Share held by Custodians against which Depository Receipts have been issued	-	-	-	-
	GRAND TOTAL = (A)+(B)+(C)	42,81,81,821	100	42,81,81,821	100

f. Proposed time within which the allotment shall be complete:

As per SEBI Guidelines, the allotment of equity shares shall be completed within 15 days from the date of passing of the above Resolution.

g. The identity of the proposed allottees and the percentage of the preferential issue that may be held by the allottees: Nagarjuna Holdings Private Limited would be holding 7.99 % of paid up Equity Share Capital after re-issue of forfeited Equity Shares as per following details:

Name of the Allottee	PAN Number	Category	Pre-Issue Holding	% to Total Equity	Post-Issue Holding	% to Total Equity
Nagarjuna Holdings Private Ltd.	AAACN6619H	Promoter	3,38,51,474	7.90	3,42,26,625	7.99

h. Auditor's Certificate:

A certificate as required under SEBI Guidelines certifying that the proposed issue is being made in accordance with the requirements contained in SEBI Guidelines shall be obtained from the Auditors of the company.

i. Lock-in:

The equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

Your Directors commend the resolution for approval of the Shareholders.

Item No.11

Your company is looking at various growth options which are synergistic with the agri-business ventures in micro irrigation, fertilizers and other agri-inputs of the company. Your company proposes to acquire 100% equity of Kakinada Fertilizers Limited as it is considered advantageous to the company's future prospects. In this regard, approval of the shareholders is being sought to acquire the entire equity capital of 50,000 equity shares of Rs.10/- each at par from the present shareholders of Kakinada Fertilizers Limited, as the proposed investment exceeds the limits prescribed by Section 372 (A) of the Companies Act, 1956.

None of the directors are concerned or interested in the said resolution.

Your Directors commend the resolution for approval of the Shareholders.

Inspection of Documents

The documents pertaining to Special Business are available for inspection at the Registered Office of the company between 10.30 a.m. and 12.30 p.m. on any working day prior to the meeting.

Hyderabad
July 23, 2009

By Order of the Board
M. Ramakanth
Secretary



NFCL

REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting the 33rd Annual Report together with the Audited Accounts of your company for the year ended March 31, 2009.

The Financial Results and the Consolidated Financial Results of the company for the year ended March 31, 2009 are as under:

FINANCIAL RESULTS

Rs. in Crores

Particulars	2008–2009 current year	2007–2008 previous year
Net Sales / Income from Operations	2371.91	2193.59
Other Income	11.99	19.84
Remission of principal amount of loan		
Total Expenditure		
a. (Increase) / decrease in Stock	106.15	-100.98
b. Consumption of Raw Materials	731.32	601.25
c. Staff Cost	66.26	59.33
d. Purchases – Traded Products	346.52	641.04
e. Power and Fuel	470.42	311.59
f. Marketing, Operating, Administrative and other Expenses	322.67	377.96
Total	2043.34	1890.19
Interest	169.32	162.97
Depreciation	120.96	120.15
Profit before tax	50.28	40.13
Provision for tax	31.96	44.85
Deferred Tax Cr	15.34	28.31
Fringe Benefit Tax	1.25	1.10
Profit / (loss) after Tax	32.41	22.49
Dividend – Preference Shares*	0.0037*	0.0037
Balance c/d to Balance Sheet	158.20	125.79
Paid Up Equity Share Capital (Face Value of Rs.10/- per share)	428.00	427.97
Reserves excluding revaluation reserve	481.97	441.04
Earning per share (annualised) - in Rs.		
• Basic	0.76	0.53
• Diluted	-----	0.51

* Proposed

CONSOLIDATED FINANCIAL RESULTS

Rs. in Crores

Particulars	2008–2009 current year	2007–2008 previous year
Net Sales / Income from Operations	2371.91	2193.59
Other Income	11.99	19.84
Remission of principal amount of loan		
Total Expenditure		
a. (Increase) / decrease in Stock	106.15	-100.98
b. Consumption of Raw Materials	731.32	601.25
c. Staff Cost	66.26	59.33
d. Purchases – Traded Products	346.52	641.04
e. Power and Fuel	470.42	311.59
f. Marketing, Operating, Administrative and other Expenses	322.67	377.96
Total	2043.34	1890.19
Interest	169.32	162.97
Depreciation	120.96	120.15
Profit before tax	50.28	40.13
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• Diluted	-----	0.51

* Proposed

DIVIDEND

Your Directors after careful consideration of the accounts of the company and the global scenario have not recommended any dividend to the equity shareholders of the company.

While placing on record their deep concern, the Directors decided that in view of the inadequate profits it would not be possible to declare dividends as there was a need to conserve the profits for better financial health of the company.

Your Directors recommend 0.01 % dividend to the preference shareholders of the company for the year ended March 31, 2009 amounting to Rs.37,203/-.

SHARE CAPITAL

In view of the unprecedented economic conditions and downward share price movement, the Core Promoters have expressed their inability to raise necessary financial resources to meet the balance payment towards the allotment of 2,25,00,000 convertible warrants. Accordingly the warrants allotted to the Core Promoters stands annulled and the 10 % payment made by the Core Promoters stands forfeited in terms of the SEBI Guidelines for Preferential Issue.

FORFEITURE AND REISSUE OF PARTLY PAID SHARES

Your company had made public issue and public cum rights issue in the year 1991 and 1992. Even after a lapse of 18 years certain members had not paid the outstanding call money.

In view of the long period of time your Board of Directors approved forfeiture of 3,75,151 equity shares of Rs 10/- from 2286 members amounting to Rs 20,68,877.

Your Directors also approved reissue of forfeited equity shares of 3,75,151 of Rs 10 each at a price to be determined as per SEBI Guidelines for Preferential Issue to the Core Promoter of the company on preferential basis. The proposal is being placed before the members at the ensuing Annual General Meeting for their approval.

PLANT OPERATIONS

Urea

Your company during the year manufactured 13.78 LMT of Urea as against 13.54 LMT in the previous year.

The significant delay in the supply of gas from KG basin, which was to be available by August, 2008, was made available from April 9, 2009. Necessary agreements for supply and transport of natural gas have been executed. The production of the plant I was affected due to reduction of supply of gas. The delay in supply of natural gas from the KG Basin had effected the production of plant II, leading to the plant being operated fully on naphtha as there was no contribution from production beyond 100% capacity in this mode of operation.

Your company during the year undertook various initiatives for improving energy efficiency, reliability and cost reduction.

Carbon Dioxide Recovery (CDR) Plant

Your company commissioned the CDR Plant of 450 metric tonnes per day capacity for commercial use in the existing urea production facilities. The CDR Project is being carried out under Clean Development Mechanism which shall reduce CO₂ emission by 450 metric tonnes per day.

This change would put an end to usage of naphtha causing reduced subsidy burden on the Government and the additional production will help to make up the shortfall of urea in the country, which otherwise had to be imported at huge cost.

FUTURE PLANS

The New Pricing Scheme (NPS), Stage-III policy effective from October 1, 2006 to March 31, 2010 was notified by Government of India in March, 2007. In terms of the policy there was a need to change over from naphtha to natural gas and setting up of a revamp project with the installation of CDR unit at a capital outlay of approximately Rs. 210 crores. Your company commissioned the CDR unit successfully in March '2009 and the Revamp project is expected to be completed in October, 2009. The de-bottlenecking and revamp of the existing Plant would result in the capacity of the Plant going up from the present 13.5 Lakh MTS per annum to 15.65 Lakh MTS per annum.

The increased requirements of natural gas shall be met out of definitive supplies for which requisite contracts are entered into by the company.



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Micro Irrigation

Your company during the year commissioned and streamlined the production of new high output plain lateral production line successfully and also improved its product range.

Your company has achieved highest ever production of 511.05 lakh meters of micro irrigation products against 376.5 lakh meters during the previous year.

Your company during the year achieved the highest production in the various products manufactured by the micro irrigation division while maintaining high levels of quality.

MARKETING

During the year under review, your company established new records in sales and marketing as under

- Achieved highest ever manufactured Urea sale of 13.97 Lakh MT
- Marketed 9.11 lakh MT of imported urea.
- Recorded sale of 7150 MT of water soluble fertilizers.
- Achieved record sales in micro irrigation segment 519.77 Lakhs meters (354.26 LMTs higher than the year 2007-08)
- Achieved record sales of all micronutrients.

Urea

The year 2008 - 2009 witnessed substantial rise in demand for all fertilizer products following favourable agro climatic situation across all the states. Your company accordingly achieved high levels of sales of 23.08 lakh MT as against 25.90 lakh MT during the previous year.

Speciality Fertilizers

Your company sold 9890 MTS during the year, in comparison with sales of 9600 MTS during the previous year.

Micro Irrigation

Your company during the year achieved 27% growth in sales aggregating Rs. 60.88 crores as compared with that of the previous year (Rs.48 crores).

ENVIRONMENT, SAFETY AND AWARDS

Environment

Your company continues its mission of protecting the environment and has inculcated the concept right down the organization.

The statutory compliance of the company on environmental matters are being complied from time to time.

Safety

Your company has implemented the Process Safety Management Systems in the company and successfully upgraded itself to ISO-14001-2004.

Process Safety Management System (PSMS) compliance audit was completed and the highest rating of 4 for activity and 4 for documentation for the system was declared.

Your company has high safety standards for preventing unforeseen accidents. There has been no accident during the year.

The Plant has achieved the milestone of eleven million accident free man-hours without any lost time injury as on March 12, 2009 taking into account the man-hours worked by associates and contract employees together. This landmark was achieved for the first time since inception of the plant.

Awards

Your company during the year has bagged prestigious awards such as

§ **Greentech Environment Excellence Silver Award** for the year 2008 under Fertilizer category awarded by Greentech Foundation, New Delhi.

§ **IFA Green Leaf 2nd Runner-up Award** in the Global Competition for Excellence and Innovation in Safety, Health and Environment in the manufacturing area at Kakinada. The ceremony was held during the First Global Safety Summit conducted by International Fertilizer Industry Association and hosted by Gulf Petrochemical Industries Limited, Bahrain.

§ **Fertilizer Association of India (FAI) Environmental Protection Award** in the Nitrogenous Fertilizer Plants category for the year 2007-2008.

RESEARCH AND DEVELOPMENT

Your company has undertaken adaptive research to develop cost effective, renewable and sustainable alternate feed stocks and biofuels. The research being carried out with latest testing tools not only helps in developing alternate

feedstocks and biofuels to reduce dependency on the hydrocarbon feedstocks, but also be carbon negative and environmentally safe.

Your company has taken up 'development of plant nutrition business' with an aim to develop cost effective end to end plant nutrition solutions including new product development and its field evaluation. This product will help to build the market share, once established.

POLICY MATTERS

Your company's endeavor has always been to maintain high levels of transparency and accountability to its stakeholders. In this direction, various policies mentioned in the Corporate Governance Report have been put in place to enable the stakeholders to appreciate the various interventions the company has taken in areas connected with the stakeholders of the company.

The implementation of these policies are reviewed periodically by the Board of Directors and updated from time to time.

The company has set up a Grievance Redressal Mechanism for all its associates. The Grievance Redressal Mechanism is aimed to redress the grievances of associates expeditiously to ensure good working atmosphere and culture in the organization.

CORPORATE GOVERNANCE

Your company driven by a desire to be more competitive and recognized globally had inculcated more than a decade ago, the rules that define ethical business, much before it was introduced as statutory compliance through Clause 49 of the Listing Agreement.

Your company firmly believes that building a culture of compliance is more than meeting regulations and standards. Your company is always proactive in meeting mandated standards and practicing corporate governance in spirit and not just the letter of the law.

A report on Corporate Governance along with the Practicing Company Secretary's Certificate on its compliance is annexed hereto. Your company is happy to inform you that there were no adverse remarks / qualifications/ reservations raised in the Corporate Governance Report.

DIRECTORS

In accordance with the Articles of Association of the company, Shri S R Ramakrishnan, Shri Chandra Pal Singh Yadav and Shri Ashok Chopra, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

With effect from September 16, 2008 Shri B Sam Bob, IAS, Principal Secretary to Government & Commissioner for Industrial Promotion, Industries & Commerce Department, has been nominated by Government of Andhra Pradesh as Nominee Director in the vacancy of Smt. D Lakshmi Parthasarathy, IAS.

The Board of Directors at their meeting held on January 20, 2009 re-appointed Shri P P Singh as Director (Technical) of the company for a period of one year with effect from February 24, 2009.

ICICI Bank had withdrawn nomination of Shri K M Jaya Rao, from the Board of Directors of the company with effect from March 13, 2009.

The Board of Directors have placed on record their appreciation for the services rendered by Smt Lakshmi Parthasarathy and Shri. K M Jaya Rao, during their term as Directors of the company.

The Board of Directors at their meeting held on October 30, 2008 appointed Shri K Rahul Raju as Joint Managing Director of the company with effect from November 1, 2008 up to June 25, 2009. The Board of Directors at their Meeting held on April 29, 2009 re-appointed Shri. K Rahul Raju as Joint Managing Director for a period of five years with effect from June 26, 2009.

The Board of Directors at their meeting held on April 29, 2009 re-appointed Shri R S Nanda as Director & Chief Operating Officer of the company for a period of one year with effect from June 26, 2009.

The requisite resolutions for the appointments have been included in the notice to the ensuing Annual General Meeting.



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AUDITORS AND AUDIT REPORT

M/s. M Bhaskara Rao & Co., 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 (1B) of the Companies Act, 1956.

COST AUDITOR

Pursuant to section 233 B of the Companies Act, 1956 the Central Government has directed that the cost accounts maintained by the company be audited by a cost auditor. Subject to the approval of the Central Government, the company has appointed Shri Dantu Mitra, Cost Accountant, as the Cost Auditor of the company for the financial year 2009 – 2010.

SUBSIDIARY COMPANIES

A statement of the holding company's interest in the subsidiary companies viz., Jaiprakash Engineering and Steel Company Limited (JESCO) and Nagarjuna Oil Corporation Limited (NOCL), is enclosed in accordance with Section 212(2)(a) of the Companies Act, 1956.

In accordance with the approval granted by the Central Government, the Balance Sheet and Profit and Loss account, Report of the Directors' and Auditors' Report of subsidiary companies viz., Nagarjuna Oil Corporation Limited and Jaiprakash Engineering and Steel Company Limited are exempted from being appended to the Annual Report. Any member seeking information on any of the subsidiary companies may write to the company to enable the same to be forwarded.

Jaiprakash Engineering and Steel Company Limited (JESCO)

Your Company had terminated the agreement entered into in relation to disinvestment of its equity in JESCO, to comply with the requirements of the Corporate Debt Restructuring scheme approved by the financial institutions and banks as the buyer had expressed inability in raising funds in view of the slump in the stock market. The agreement accordingly stands terminated and the deposit placed with the company shall stand forfeited in terms of the agreement.

Nagarjuna Oil Corporation Limited (NOCL)

NOCL, a subsidiary of your company is involved in setting up a 6 Million Metric Tons Per Annum refinery project at Cuddalore, Tamil Nadu. NOCL has made substantial progress during the year under review. The equity and debt required for the Project is fully tied up and the investors have brought in their full share of initial equity contribution as per the schedule of subscription. Two tranches of debt totaling to Rs. 609.17 crores has already been drawn by NOCL.

The process of selection of the EPCM contractors for the various process units has commenced and tender documents have been issued. The company has started draw down from the lenders.

The shipment of the equipment from European ports has made significant progress and the Engineering activities for the relocated units of the project have commenced.

Various agreements and MOUs have been executed for implementation of the Project and all the statutory approvals are valid and subsisting.

The company expects to complete the project within 36 months of the Zero Date.

Investment in Kakinada Fertilizers Limited

Your company is looking at various growth options which are synergistic with the agri-business ventures in micro-irrigation, fertilizers and other agri inputs. In view of the specialised activity involved in this segment, your company's Board of Directors decided to carry out the activity initially through a subsidiary company.

It is initially proposed to invest in the entire equity capital of Kakinada Fertilizers Limited amounting to Rs.5 lakhs, subject to the approval of the members of the company, under Section 372(A) of the Companies Act, 1956. The proposed investment exceeds the limits prescribed by Section 372 (A) of the Companies Act, 1956 and is accordingly being placed before the members of the company at the ensuing Annual general meeting for approval.

DISCLOSURES

Disclosure in terms of Companies (Particulars of Employees) Rules, 1975 and Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption, earnings and outgo of foreign exchange are attached and forms part of this Report.

AUDIT COMMITTEE CONSTITUTION

In compliance with the provisions of the Section 292A of the Companies Act, 1956 and the listing agreement entered into with the stock exchanges, the company had constituted an Audit Committee consisting of highly qualified and experienced members from various fields. The committee consists of three independent Directors, and one Whole-time Director. The Chairman of the committee Dr. N C B Nath, is an Independent Director and the committee meets periodically to review the quarterly financial statements and recommends its findings to the Board apart from taking action independently whenever required. The Statutory Auditors, Secretary and the Internal and Cost Auditors attend and participate in the Audit Committee Meetings. The Audit Committee comprises of :

Dr. N C B Nath	Chairman, Independent Director
Shri B K Batra	Member & Independent Director
Shri S R Ramakrishnan	Member & Independent Director
Shri M P Radhakrishnan*	Member & Independent Director
Shri K S Raju	Member & CMD

*Appointed with effect from July 23, 2009

CORPORATE SOCIAL RESPONSIBILITY

The company has always been a responsible corporate citizen and has made significant contributions towards community development. NFCL has always lived by its philosophy of "Serving Society through Industry". The company believes in living every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society.

To have a systematic, dynamic and result oriented approach, a CSR Core Group was constituted to assess the 'as is' condition on CSR in the company and to steer forward the initiative. It was further strengthened by encouraging associates of the company to be part of the initiative and with their contribution give impetus to the movement. Your company made significant contributions towards education, sports, health care and community welfare.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors hereby report:

- that in the preparation of Annual Accounts for the year ended March 31, 2009, the applicable accounting standards have been followed.
- that the Directors have selected such accounting policies and applied them consistently and made judgements 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 March 31, 2009 and of profit and loss account for the period ended March 31, 2009.
- that 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.
- that the Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Government of India, Government of Andhra Pradesh and Government of Tamilnadu and the financial institutions and company's bankers for their assistance and co operation. Further, the company places on record its sincere appreciation for the continuing support and unstinting efforts of investors, dealers and associates in ensuring an excellent allround operational performance.

Hyderabad
July 23, 2009

On behalf of the Board
K S Raju
Chairman & Managing Director



NFCL

FORM A : Form for disclosure of particulars with respect to conservation of energy**I.Urea**

Particulars	Unit	Year ended		
		31.03.2009	31.03.2008	
Power & Fuel Consumption				
1.Electricity				
a) Purchased				
Unit	1000 KWH	2884.933	3359.292	
Total Amount	Rs. Lakhs	231.634	250.472	
Rate/ KWH	Rs./KWH	8.03*	7.46*	
b)Own Generation				
Through Gas Turbine Units	1000 KWH	220976.0	212111.2	
KWH per SM³ of Gas		5.796	5.611	
Cost of gas per Unit of Power generated	Rs./KWH	0.82	0.82	
2. Fuel				
(Including Ammonia-fuel, steam & power)				
Quantity - Natural Gas	1000 SM³	264506.578	315549.529	
NG LHV	Kcal/SM³	8823.356	8814.137	
Total Cost	Rs. Lakhs	12631.90	14516.69	
Rate per Unit of Natural Gas	Rs./1000 SM³	4775.65	4600.45	
Quantity - Naphtha	MT	71123.032	44949.717	
Naphtha LHV	Kcal/kg	10423.448	10389.274	
Total Cost	Rs. Lakhs	26757.10	16315.93	
Rate per Unit of Naphtha	Rs./MT	37620.87	36298.17	
Quantity - LSHS	MT	19538.77	-	
LSHS LHV	Kcal/kg	9619.468	-	
Total Cost	Rs. Lakhs	5857.52	-	
Rate per Unit of LSHS	Rs./MT	29978.98	-	
Quantity - Furnace Oil	MT	5236.088	-	
Furnace Oil LHV	Kcal/kg	9536.805	-	
Total Cost	Rs. Lakhs	1478.50	-	
Rate per Unit of Furnace Oil	Rs./MT	28236.68	-	
3. Consumption per MT of Urea Production (Including Ammonia - fuel, steam & power)				
		Year Ended		
Particulars	Unit	Standard	31.03.2009	31.03.2008
Electricity (Incl. Internal Generaion)	KWH	132.8	162.43	159.10
Naphtha at 10500kcal/kg	Kg	64.5	51.23	32.84
LSHS (At actual calorific value)	Kg	Nil	14.18	0
Furnace Oil (At actual Calorific value)	Kg	Nil	3.80	0
Natural Gas (Fuel)*** at 8168 Kcal/SM³	Sm³	251	207.326	251.395

* This amount is paid towards purchased power to APTRANSCO.

*** 8168 KCal per SM³ is as per Design Norms.**II. Micro Irrigation**

Particulars	Unit	Year ended		
		31.03.2009	31.03.2008	
Electricity				
a) Purchased	1000 KWH	1742.29	1590.162	
Total Amount	Rs. in Lac	67.69	58.83	
Rate/KWH Rs./KWH		3.88	3.70	
b) Own Generation				
Diesel	1000 KWH	187.09	170.07	
Total Cost	Rs. in Lac	20.60	16.46	
Rate per unit	Cost of diesel per unit of power generation	11.01	9.67	
Consumption per meter of Lateral				
Particulars	Unit	Standard	Year ended	
			31.03.2009	31.03.2008
Electricity (incl. Internal Generation)	KWH	-	0.03	0.04

FORM-B**Form for disclosure of particulars with respect to technology absorption for the year 2008-09****A. Research and Development (R & D):****1. Specific areas in which R & D was carried out by the company at Kakinada Plant:**

Engineers engaged in Process, Production, General Engineering and Maintenance departments undertake activities which are aimed at Improvements in the following areas through innovative ways:

- Energy Conservation
- Capacity Utilization
- Environmental Protection
- Process and Personal Safety
- Enhancement of Plant reliability.
- Cost effective improved packing in Micro Irrigation.

2. Benefits derived as a result of the above efforts :

The improvements achieved in the areas of Production Performance, Specific Raw Water Consumption, Treated Effluent Generation, Environmental Protection, Process & Personal Safety are given below:

- Complex Specific Raw Water Consumption is 5.292 m³ / MT of Urea, which is better than the previous year Specific Consumption of 5.335 m³ / MT of Urea.
- The Specific Effluent Generation for this year is 0.78 m³ / MT of Urea, which is better than the previous year Specific Effluent Generation of 0.83 m³ / MT of Urea.
- In the area of Environment Protection, continuous improvement is taking

place and the Company's efforts have been recognized by M/s IFA (International Fertilizers Association) by awarding the 2nd Runner-up prize in the SHE Performance in a global competition. Also, M/s FAI (Fertilizer Association of India) recognized by presenting the Environmental Protection Award in Nitrogenous Fertilizer Plants category for the year 2007-08.

- PSMS (Process Safety Management System) has been implemented successfully and achieved the highest rating, 4 out of 4.
- Kakinada Plant Site Achieved 11 Million Man hours Accident Free period for the first time since inception of the Company.
- Carbon dioxide Recovery (CDR) unit for 450MT/day capacity from the flue gases of Ammonia Reformer was commissioned successfully on 24th March 2009 which is a pollution abatement measure to reduce CO₂ emission into the atmosphere. It has potential to be considered under Clean Development Mechanism (CDM). The availability of CDR unit will also help increase production on availability of Natural Gas from RIL which has started with effect from April 9, 2009.
- Micro Irrigation division established new indigenous stretch wrap packing for Flat Type IDL, increased number of coils per truck and also lateral length per coil of 12mm Super line.

3. Future Plan of Action:

A number of action plans have been made to improve Production, Plant Reliability and reduce Specific Energy Consumption as mentioned below:

- Signed Contract with Reliance Industries Limited (RIL) to ensure adequate Natural Gas (NG) supply and convert the Company's entire operations from Naphtha to full NG. Gas supply from RIL was started w.e.f. April 9, 2009.
- First phase of revamping is completed during 2007-08. The second phase