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**Annual Report 2019-20**

# **Nagarjuna Fertilizers & Chemicals Limited**

## Board of Directors

### Uday Shankar Jha

Chairman

### Chandrapal Singh Yadav

Nominee of KRIBHCO

### V V S Ravindra

Nominee of IDBI Bank

(ceased w.e.f August 31, 2020)

### Lalitha Raghuram

Independent Director

### Girija Bhan

Independent Director

(w.e.f November 11, 2019)

### Hon'ble Shri Justice K C Bhanu (Retd.)

Independent Director

(w.e.f November 11, 2019)

### Rajendra Mohan Gonela

Independent Director

(w.e.f May 28, 2020)

### K Rahul Raju

Managing Director

### Registered Office

D. No 8-2-248,  
Nagarjuna Hills, Punjagutta,  
Hyderabad - 500 082  
India

**CIN:** L24129TG2006PLC076238

### Website:

[www.nagarjunafertilizers.com](http://www.nagarjunafertilizers.com)

### Manufacturing Facilities

#### Urea

Kakinada, East Godavari Dist,  
Andhra Pradesh

#### Micro-Irrigation

Nacharam, Hyderabad, Telangana

Sadashivpet Mandal, Medak District,  
Telangana

Halol, Panchmahal Dist., Gujarat

### Statutory Auditors

M/s. M Bhaskara Rao & Co.,  
Chartered Accountants  
Hyderabad

### Vijaya Bhasker M

Company Secretary

(w.e.f. November 29, 2019)

## Notice of 14th Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting (AGM) of the members of Nagarjuna Fertilizers and Chemicals Limited (the Company) will be held on Wednesday, December 30, 2020 at 10:00 A.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the 14th Annual Report of the Company, Balance Sheet as at March 31, 2020, Statement of Profit and Loss for the Financial Year ended March 31, 2020, Cash Flow Statement for the Financial Year ended March 31, 2020, Statement of Change in Equity for the year ended March 31, 2020 and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Uday Shankar Jha (DIN: 00056510) who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Chandrapal Singh Yadav (DIN 00023382) who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

- 4) To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2021

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), remuneration of Rs. 4 lakhs plus service tax as applicable and reimbursement of out-of-pocket expenses as approved by the Board of Directors to be paid to M/s. Sagar & Associates (Firm Registration No-000118), Cost Auditors, Hyderabad, to conduct the Cost Audit in relation to the products - 'Manufactured Fertilizer' and 'Micro Irrigation' of the Company for the Financial Year ended March 31, 2021, be and is hereby approved and ratified"

- 5) Appointment of Mr. Rajendra Mohan Gonela (DIN:02354356) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013, Mr. Rajendra Mohan Gonela (DIN:02354356), Additional Director of the Company, who meets the criteria of independence under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years commencing from May 28, 2020 upto May 27, 2025."

- 6) Re-appointment of Mrs. Lalitha Raghuram (DIN: 07161344) as an Independent Director for a second consecutive term of five years

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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV of the Companies Act, 2013, Mrs. Lalitha Raghuram (DIN: 07161344), Independent Director of the Company, who meets the criteria of independence under Section 149 of the Companies Act, 2013, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five years commencing from April 18, 2020 upto April 17, 2025."

- 7) Re-appointment of Mr. K Rahul Raju, (DIN: 00015990) as a Managing Director for a term of three years.

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, read with Schedule V of the Act and subject to such other approvals and permissions as maybe required in this regard, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. K Rahul Raju as Managing Director of the Company for a period of three Years with effect from August 01, 2020.

"RESOLVED FURTHER THAT Mr. 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

- a. Salary (including dearness allowance and all other allowances) – Rs. 5 lakhs per month.
- b. Commission: 0.5% of the net profits of the Company, limited to his annual salary.

#### 2. Perquisites

Perquisites other than medical reimbursement 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, 10% of the salary shall be deducted by the company; or
- c. In case no accommodation is provided by the Company, Mr. 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 Rs. 5 lakhs per 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 dependent children and dependent 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 Mr. K Rahul Raju, Managing Director may, subject to overall ceiling specified above and subject to Schedule V of the Companies Act, 2013, be modified as may be agreed to by the Company and Mr. K Rahul Raju, Managing Director."

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

"RESOLVED FURTHER THAT the above remuneration be paid as minimum remuneration for the entire tenure of appointment or for such tenure of appointment as may be payable in compliance with applicable provisions of law, subject to such clarifications, notifications or orders as may be issued, from time to time, by Ministry of Corporate Affairs."

8) Contribution to PM CARES and AP CM relief fund for relief efforts against Covid-19

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 135 and Section 181 of the Companies Act, 2013 and other applicable provisions Rules made thereunder, the contribution of the Company of an amount of Rs.17.29 lakhs to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM-CARES Fund) and an amount of Rs.0.88 lakh to AP CM Relief Fund aggregating to Rs. 18.17 lakh extended to fight the COVID-19 pandemic, as part of the Corporate Social Responsibility activities for the Financial Year 2020-21 as approved by the Board of Directors of the Company be and is hereby approved and ratified"

9) Sell, transfer, lease and/or otherwise dispose off the investment held in Jaiprakash Engineering and Steel Company Limited, subsidiary company.

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 read with rules made thereunder and Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, if any and subject to such other approvals / permissions as may be required in this regard, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board") to sell, transfer, lease and/or otherwise dispose of the whole or substantially the whole of the investment in Jaiprakash Engineering and Steel Company Limited, a Wholly Owned Subsidiary of the Company with effect from such date and on such terms and conditions as may be considered or deemed expedient, necessary or desirable and finalized by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and decide the terms and conditions of sale/transfer/disposition/lease including consideration for the same.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things (including finalizing, executing and registering the deeds, documents and writings) as it may, in its sole and absolute discretion deem necessary, proper and/or desirable and to decide and settle any question, doubt or difficulty that may arise in regard to the sale/transfer/disposition including the retention of any asset or liability in Jaiprakash Engineering and Steel Company Limited, a Wholly Owned Subsidiary of the Company, as the Board, in its sole discretion, deems fit."

By Order of the Board

Hyderabad  
November 30, 2020

**Uday Shankar Jha**  
Chairman



**NOTES**

- 1) Pursuant to the General circular number 14/2020, 17/2020 and 20/2020, dated April 08, 2020, April 13, 2020 and May 05, 2020 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), Companies are allow to hold AGM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of members at a common venue due to viral spread of noval corona virus.
- 2) A member entitled to attend and vote at the AGM is not entitled to appoint a proxy to attend and vote instead of himself / herself as the facility for appointment of proxies by the members will not be available.
- 3) Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
- 4) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a scanned copy of certified copy of the Board resolution / authorization letter to the Company at investors@nagarjunagroup.com.
- 5) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to the Special Businesses set out in the Notice is annexed hereto.
- 6) Brief profile of Mr. Chandrapal Singh Yadav and Mr. Uday Shankar Jha proposed to be re-appointed as the Directors along with names of companies in which they hold directorships and memberships/chairmanships of Board, its Committees, shareholding and their relationship with other directors inter-se is annexed hereto.
- 7) Brief profile of Mr. Rajendra Mohan Gonela, Independent Director, Mrs. Lalitha Raghuram, Independent Director and Mr. K Rahul Raju, Managing Director along with names of companies in which they hold directorships and memberships/chairmanships of Board, its Committees, Shareholding and their relationship with other directors inter-se is annexed hereto.
- 8) The Register of Members and the Share Transfer Books will remain closed from December 23, 2020 to December 30, 2020 (both days inclusive).
- 9) In terms of Section 124 of the Companies Act, 2013, (Section 205C of the Companies Act, 1956), the dividends which remain unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account pertaining to the F.Y. 2011-12, has been transferred by the company to the Investor Education and Protection Fund (IEPF), established by the Central Government and all corresponding shares also has been transferred to the demat account of IEPF Authority.
- 10) Members / claimants whose shares, unclaimed dividend, etc. which have been transferred to the demat account of the IEPF Authority, may apply for refund or claim

the shares respectively by making an application to the IEPF Authority in Form IEPF- 5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fee prescribed by the IEPF Authority from time to time. Member/ claimant can file only one consolidated claim in a financial year as per the IEPF Rules. Form IEPF- 5 is also available on the website of the Company at viz., [www.nagarjunafertilizers.com](http://www.nagarjunafertilizers.com) under the 'Investors' section.

- 11) In terms of Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI – "Manner of dealing with unclaimed shares", the Company shall create an unclaimed suspense account and transfer all the unclaimed physical shares into the unclaimed suspense account.

Members / claimants are advised to claim the unclaimed physical shares failing which the unclaimed / physical shares shall be transferred to unclaimed suspense account after due compliance with applicable provisions in this regard.

- 12) 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 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 at Nagarjuna Fertilizers and Chemicals Limited, Investors Services Cell, Plot No 1, Punjagutta, Nagarjuna Hills, Hyderabad - 500 082, while transacting in the securities market including transfer, transmission or any other corporate action.

- 13) SEBI mandated listed companies to disallow from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. Shareholders are requested to convert physical shares to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the Company.

Further, SEBI allowed relodgement of transfer requests originally loaded on / before March 31, 2019, which were rejected / returned due to deficiency in the documents with requisite documents upto March 31, 2021.

- 14) Members holding shares in electronic form are requested to submit the PAN, Bank Details and Email Id if not furnished earlier, to their depository participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their certified copy of PAN at the Company's Registered Office.

- 15) To prevent fraudulent transactions, members are requested to exercise due diligence and notify the Company of any change in address, change / updates in details of bank accounts, or demise of any member as soon as possible, at the company's Registered Office,

quoting their ledger folio number registered with the Company. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the depository participant(s) and holdings should be verified. Members whose shareholding is in the electronic mode are requested to inform change of address, notifications and updates of Bank account details to their respective Depository Participants only.

- 16) Members are requested to update the Bank account number allotted after implementation of Core Banking Solutions (CBS) to the Company in case of shares held in physical form and to Depository Participant (DP) in case of shares held in demat form
- 17) In compliance with the Circulars, notice of 14th Annual General Meeting (AGM) along with Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company / depository(s). Members may note that Notice of the 14th AGM along with the Annual Report 2019-20 is available on the Company's website [www.nagarjunafertilizers.com](http://www.nagarjunafertilizers.com), websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
- 18) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company's In-house STA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
- 19) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.
- 20) Members desiring any information relating to accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready at the Annual General Meeting.
- 21) As per the provisions of Section 72 of the Act, facility of making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Members holding shares in physical form are requested to obtain the nomination forms from the Company. Members holding shares in electronic form may obtain the nomination forms from their respective depository participants.
- 22) We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's In-house Share Transfer Agent (STA)

service, to receive copies of the Annual Report 2019-20 in electronic mode at [investors@nagarjunagroup.com](mailto:investors@nagarjunagroup.com)

- 23) The Company has paid the listing fees to BSE Limited and National Stock Exchange of India Limited, Mumbai, where the securities of the Company are listed.
- 24) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be made available electronically for inspection by the members during the AGM. Members intending to inspect the said registers are requested to write to [investors@nagarjunagroup.com](mailto:investors@nagarjunagroup.com)
- 25) As the AGM is being held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- 26) Members are requested to address all correspondences, including dividend matters, to Nagarjuna Fertilizers and Chemicals Limited, Investors Services Cell, Plot No 1, Punjagutta, Nagarjuna Hills, Hyderabad - 500 082.
- 27) The Company has designated an exclusive e-mail ID titled [investors@nagarjunagroup.com](mailto:investors@nagarjunagroup.com) for the redressal of shareholders complaints / grievances. In case of any unresolved queries / complaints / grievances, please write to us at [secretarial@nagarjunagroup.com](mailto:secretarial@nagarjunagroup.com)
- 28) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings, is providing remote e-voting facility to all the shareholders of the Company and e-voting during the AGM in respect of all the businesses set forth in the Notice.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for providing e-voting services through their e-voting platform. Your Demat Account/Folio Number has been enrolled by the Company for your participation in remote e-voting facility and e-voting during the 14th AGM.

A Member shall opt only one mode of voting i.e., either remote e-voting or e-voting during AGM. Members who have cast their vote by remote e-voting may attend the meeting but shall not be allowed to vote again at the AGM. Voting, if exercised, shall be invalid and the vote cast through remote e-voting shall be considered.

Remote e-voting facility will be available on the website [www.evotingindia.com](http://www.evotingindia.com) from Sunday, December 27, 2020 at 10.00 A.M. and ends on Tuesday, December 29, 2020 at 5.00 P.M, after which the facility will be disabled by CDSL and remote e-voting shall not be allowed beyond the said date and time. The notice is also available on the website [www.evotingindia.com](http://www.evotingindia.com).

The voting right of shareholders shall be in proportion to the amount paid up on the total number of shares held by the respective shareholder with the total share capital issued by the company as on the cut-off date i.e. December 23, 2020

Cut-off date is for determining the eligibility to vote by electronic means or at the meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. A member as on the cut-off date shall only be entitled for availing the remote e-voting facility or vote, as the case may be, in the Annual General Meeting. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote

e-voting as well as voting in the general meeting

**Details of Scrutinizers:** Mr. C S S Krishna, Partner, M/s. K B G Associates, Company Secretaries at 1st Floor, 1-9-309/A, Above Kancheepuram Lavanya Silks, Red Cross Blood Bank Road, Spencer's Vidyanagar Road, Atchuta Reddy Marg, Vidyanagar, Hyderabad - 500 044 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

#### THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on December 27, 2020 at 10.00 A.M. and ends on December 29, 2020 at 05.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of December 23, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 OR  
 Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/STA or contact Company/STA.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' 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. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Nagarjuna Fertilizers and Chemicals Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.



**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/STA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/STA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@nagarjunagroup.com](mailto:investors@nagarjunagroup.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4, 5, 6, 7, 8 & 9 of the accompanying notice.

#### Item No.4

The company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board at its meeting held on August 14, 2020 on recommendation of the Audit Committee, approved the appointment and remuneration of Rs. 4 Lakhs plus service tax as applicable and reimbursement of out of pocket expenses, to M/s. Sagar & Associates, Cost Auditors, Hyderabad, to conduct the audit of the cost records of the Company, for the Financial Year ending March 31, 2021, for the products "Fertilizers (Plant I and 2 at Kakinada) and other Machinery and Plastic and Polymers (Micro Irrigation Products).

In terms of the provisions of Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2021 as set out in the resolution, for the services rendered / to be rendered by the Cost Auditor.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 4.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the Members

#### Item No.5

The Board of Directors of the Company on May 28, 2020, appointed Mr. Rajendra Mohan Gonela as an Additional & Independent Director of the Company.

The Company has received from Mr. Rajendra Mohan Gonela, the following:

- Consent in writing to act as Director in Form DIR- 2
- Declaration in Form DIR-8 confirming that he is not disqualified under Section 164(2) of the Companies Act, 2013.
- Declaration as per Section 149(6) of the Companies Act, 2013, that he meets the criteria of independence.

It is proposed to appoint Mr. Rajendra Mohan Gonela as an Independent Director of the Company with effect from May 28, 2020 for a period of five years up to May 27, 2025, not liable to retire by rotation pursuant to the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Rajendra Mohan Gonela fulfills the conditions for appointment as an Independent Director as specified in the Act, Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Rajendra Mohan Gonela is independent of the management.

#### Brief Profile of Mr. Rajendra Mohan Gonela:-

Mr. Rajendra Mohan Gonela, is a Bachelor of law with post graduation in Constitutional and administrative Laws. He is also honored with Doctorate in Intellectual Property Rights in the year 2011. Mr. Gonela started his career as a probationary officer working with Public sector undertaking with Indian Overseas Bank. Later he served as a Principal Secretary-(Indian Administrative Service) for Government of India (Andhra Pradesh cadre) for the period June 1977 till March 2013.

Later, he served as a CEO of Anand Group of Companies which has diversified businesses of Mining, salt refinery, spinning and wealth management for the period September 2014 till November 2018 and currently is designated as a honorary advisor to Anand Granite Exports Private limited.

Details in relations to names of companies in which he holds directorships and Memberships/ Chairmanships of Board, its Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto

Copy of the letter of appointment of Mr. Rajendra Mohan Gonela as Independent Director setting out terms and conditions are available electronically for inspection by the members during the AGM. Members intending to inspection the documents are requested to write to investors@nagarjuna-group.com.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except Mr. Rajendra Mohan Gonela.

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

#### Item No.6

The Board of Directors of the Company vide resolution dated May 16, 2015 appointed Mrs. Lalitha Raghuram as an Independent Director of the Company for a period of five years with effect from April 18, 2015.

In terms of the provisions of Section 149 of the Companies Act, 2013, and the Rules made thereunder, an Independent Director can be reappointed for a second consecutive term of maximum 5 (five) years with the approval of the shareholders by way of special resolution.

The Company has received from Mrs. Lalitha Raghuram, the following:

- Consent in writing to act as Director in Form DIR- 2
- Declaration in Form DIR-8 confirming that he is not disqualified under Section 164(2) of the Companies Act, 2013.
- Declaration as per Section 149(6) of the Companies Act, 2013, that he meets the criteria of independence.

It is proposed to re-appoint Mrs. Lalitha Raghuram, as an Independent Director of the Company for a second term of five years commencing from April 18, 2020 up to April 17, 2025, not liable to retire by rotation pursuant to the provisions of Section

149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mrs. Lalitha Raghuram fulfills the conditions for appointment as an Independent Director as specified in the Act, Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mrs. Lalitha Raghuram is independent of the management.

#### **Brief Profile of Mrs. Lalitha Raghuram:**

Mrs. Lalitha Raghuram is a post graduate in Social Work and post graduate in Commerce with advanced accounting & auditing. She also did her Post graduate diploma in personnel management & industrial relations and in community eye health from L. V. Prasad Eye Institute, Hyderabad.

Mrs. Lalitha Raghuram is the country Director of Mohan Foundation, Hyderabad, India responsible for (a) Advocacy in organ donation (b) augmenting deceased organ donations (c) expanding the footprint of Mohan Foundation, (c) Resource Mobilisation, (d) strategic planning (e) liaison with Government.

She was Country Director, Operation Eyesight Universal, India – April 2004 to April 2009 responsible and accountable for all the functions of Operation Eyesight in India, an international development organisation focused on eliminating avoidable blindness.

Mrs. Lalitha Raghuram has received “Womentor” Award in the year 2018 and received “International Eye Care Hero Award”, in the year 2018.

Details in relations to names of companies in which she holds directorships and Memberships/ Chairmanships of Board, its Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.

Copy of the letter of appointment of Mrs. Lalitha Raghuram as an Independent Director setting out terms and conditions are available electronically for inspection by the members during the AGM. Members intending to inspection the documents are requested to write to investors@nagarjunagroup.com.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except Mrs. Lalitha Raghuram.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for the approval of the Members.

#### **Item No.7**

Mr. K Rahul Raju was appointed as Managing Director of the Company at the Board Meeting held on May 26, 2017 with effect from August 01, 2017 for a period of three years. The term of appointment concluded on July 31, 2020

The Board of Directors at their meeting held on August 14, 2020, based on recommendation of Nomination and Remuneration Committee, approved the re-appointment of Mr. K Rahul Raju as Managing Director of the Company for a period of three years with effect from August 1, 2020.

The appointment of Mr. K Rahul Raju as the Managing Director of the Company is in accordance with the provisions of Section 203 and 197 of the Companies Act, 2013.

The re-appointment provides for payment of remuneration of Rs. 5 lakhs per month and perquisites restricted to an amount equal to annual salary.

The Company has incurred losses as on March 31, 2020, and it is proposed to consider re-appointment Mr. K Rahul Raju as Managing Director of the Company at the said remuneration for a further period of three years with effect from August 01, 2020 to July 31, 2023, in view of the present financial position of the Company, the on-going restructuring exercise and his immense experience and expertise.

Further, the Company has made defaults in repayment of its debts/ interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment. (i.e. 2019-2020).

Accordingly, in terms of Section 197 read with Schedule V of the Companies Act, 2013, the proposed remuneration payable requires the prior approval of the Financial Institutions and the approval of the members of the Company by way of special resolution.

The Board commends the re-appointment of Mr. K Rahul Raju as Managing Director of the Company for a period of 3 years with effect from August 01, 2020 and the remuneration to be paid to him as per the terms and conditions stated in the Notice.

#### **Statement of disclosure pursuant to Schedule V to the Companies Act, 2013**

The following disclosures are being made in relation to the reappointment and payment of remuneration to Mr. K Rahul Raju as Managing Director

#### **I. General Information**

##### **1. Nature of the Industry**

The Company is in the fertilizer sector and manufactures Urea and Micro-irrigation systems and also is in the business of sale of other fertilizers. The Company is the second largest manufacturer of Urea in the private sector and is the largest fertilizer manufacturer in South India. The Company is also the second largest manufacturer of Micro-Irrigation systems in India. The production and marketing of Urea is controlled under the Essential Commodities Act, 1955. The Company's main product viz Urea continues to be regulated under Government policy.

##### **2. Date of Commencement of Commercial Production (includes data of Erstwhile NFCL since merged into Kakinada Fertilizers Limited now named as Nagarjuna Fertilizers and Chemicals Limited**

###### **a. Urea and ammonia plants.**

The Plant 1 of the Company commenced commercial production in August 1992 and Plant 2 commenced commercial production in March 1998.

###### **b. Revamp / de-bottlenecking with Carbon-dioxide recovery unit under Clean Development Mechanism of the plants at Kakinada During the years 2007 - 2009 the Company carried out a major revamp/ de-bottlenecking with the**