

16th July, 2014

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

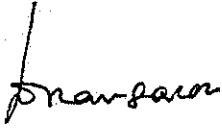
01	Name of the Company	Nagarjuna Agrichem Limited
02	Annual financial statements for the year ended	31 st March, 2014
03	Type of Audit observation	Unqualified
04	Frequency of observation	Not applicable

05 To be signed by

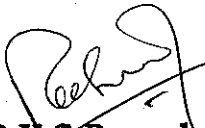
For **Nagarjuna Agrichem Limited**

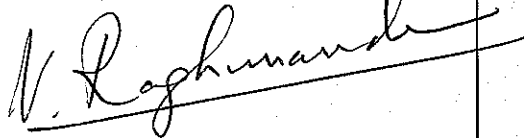

Mr. K. S. Raju
Director

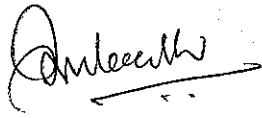

Mr. V. Vijay Shankar
Managing Director


Mr. D. Ranga Raju
Audit Committee Chairman

For **M. Bhaskara Rao & Co.,**
Chartered Accountants
(Firm Registration No.000459 S)


R.K.S. Prasad
Chief Financial Officer


V. Raghunandan
Partner
Membership No.26255


Satish Kumar Subudhi
Company Secretary & Head-Legal



Nagarjuna Agrichem Limited



Annual Report 2013-14



Formulation Unit at Ethakota



R & D Unit at Shadnagar



Technical Plant at Srikakulam



Born : 23-09-1934 Expired : 03-11-2013

Dr. Nitish K Sengupta, I.A.S (Retd.)

Dear Shareholders,

On 03rd November, 2013, we lost Dr. Nitish K. Sengupta, Chairman of your Company for about 18 years. He was a great visionary and a tall personality, who has guided the destiny of your Company. We shall always cherish his sagacious presence and contributions. The finest tribute that we can pay to him is to go along the path of profitable growth, keep building deep R&D skills and be recognized as a best-in-class global agrochemical major.

- Board of Directors

BOARD OF DIRECTORS

Dr.Nitish K Sengupta	: Chairman (upto 03.11.2013)
Mr.K.S.Raju	: Director
Mrs.K.Lakshmi Raju	: Director
Mr.D.Ranga Raju	: Director
Mr.K.Raghuraman	: Director
Mr.Sudhakar Kudva	: Director
Mr.N.Vijayaraghavan	: Director
Mr.V.Vijay Shankar	: Managing Director
Mr.Raghavender Mateti	: Additional Director (w.e.f. 26.02.2014)



Day : Saturday
Date : 9th August, 2014
Time : 10.00 a.m
Venue : Surana Udyog Auditorium
 Federation of Andhra Pradesh
 Chamber of Commerce and Industry
 (FAPCCI), Federation House,
 11-6-841, Red Hills,
 Hyderabad-500 004.

SENIOR MANAGEMENT

Mr.Amit Talaria	: Sr.General Manager - Procurement, IT & SCM
Mr.G.Jagannadha Rao	: Vice President - Exports
Mr.Harish Chandra Bijilwan	: Vice President - Business, Tech. & Out - sourcing
Mr.J.Satyanarayana Das	: Vice President - Manufacturing (Ethakota)
Mr.K.G.Vadivel	: Vice President - Manufacturing (SKLM)
Mr.Manikkam Natarajan	: Executive Vice President - Marketing & Sales
Mr.R.K.S.Prasad	: Chief Financial Officer
Mr.Satish Kumar Subudhi	: Company Secretary & Head - Legal
Mr.S.Chandra Sekhar	: Vice President - Corporate HPD
Mr.S.V.S.Rama Raju	: President - Operations
Dr.Venkatesan Subbusamy	: General Manager - Registration & Regulatory Affairs

CIN:

L24219AP1986PLC016607

REGISTERED OFFICE:

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

FACTORIES:

Arinama Akkivalasa,
 Etcherla Mandal,
 Srikakulam A.P.

Ethakota,
 P.O: Ravulapalem,
 East Godavari Dist. A.P.

R & D CENTRE:

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

AUDITORS:

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

COST AUDITORS:

K.Narasimha Murthy & Co.,
 Cost Auditors
 3-6-365, 104 & 105
 Pavani Estate,
 Himayathnagar,
 Hyderabad-500029.

BANKERS:

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

SHARE REGISTRARS &

TRANSFER AGENTS:

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

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Attendance Slip and Proxy Form
&
ECS Mandate Form and
E-Communication Registration Form
 (Enclosed Separately)

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of M/s Nagarjuna Agrichem Limited will be held at 10.00 A.M on Saturday, the 09th day of August, 2014 at Surana Udyog Auditorium, M/s. Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, P.B. No.14, Red Hills, Hyderabad – 500004, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31st March, 2014, the Balance Sheet as at that date and the Cash Flow Statement for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Sudhakar Kudva (DIN 02410695), who retires by rotation and, being eligible, offers himself for re-appointment.
3. Appointment of Auditors and fix their Remuneration:

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

“RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 and other applicable rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s.M.Bhaskara Rao & Co., Chartered Accountants, (Registration No.000459 S), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this 27th Annual General Meeting(AGM) till the conclusion of the 30th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the Members at every AGM held after this AGM), at such remuneration plus service tax, out-of-pocket, travelling and other expenses etc., and to authorise the Board of Directors of the Company to fix such remuneration as may be recommended by the Audit Committee, may be paid on progressive billing basis or otherwise as agreed upon between the said Auditors and the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. **To ratify the Remuneration of the Cost Auditors:**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s.K.Narasimha Murthy & Co., (Registration No.4042) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2015, with a

remuneration of ₹4,25,000/- (Rupees Four Lakhs Twenty Five Thousands only) plus service tax, out-of-pocket, travelling and other expenses etc., as fixed by the Board of Directors on the recommendation of the Audit Committee be and is hereby ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. **To appoint Mr.Raghavender Mateti as an Independent Director:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.Raghavender Mateti (DIN:06826653), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 09th August, 2014, not liable to retire by rotation.”

6. **To appoint Mr.D.Ranga Raju as an Independent Director:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.D.Ranga Raju (DIN:00066546), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 09th August, 2014, not liable to retire by rotation.”

7. **To appoint Mr.K.Raghuraman as an Independent Director:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.K.Raghuraman (DIN:00320507), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 09th August, 2014, not liable to retire by rotation.”

8. To appoint Mr.N.Vijayaraghavan as an Independent Director:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.N.Vijayaraghavan (DIN:02491073), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 30th October, 2014, not liable to retire by rotation.”

9. To re-appoint Mr.V.Vijay Shankar as Managing Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V of the Companies Act, 2013 & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the Articles of Association of the Company, and subject to necessary approvals to be obtained from the Central Government if and when required, approval be and is hereby accorded for the re-appointment of Mr.V.Vijay Shankar (DIN: 00015366) as Managing Director of the Company, for a further period of three years with effect from 11th May, 2014 to 10th May, 2017 upon the terms and conditions including remuneration as set out below and in the Agreement entered / to be entered into between the Company and Mr.V.Vijay Shankar in this regard, with liberty

to the Board of Directors to alter and vary any such terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr.V.Vijay Shankar.”

1. Remuneration:

- a) Basic Salary: ₹2,80,000/-p.m.
- b) Special Allowance (including Medical Allowances, if any) : ₹1,07,000/-p.m.
- c) House Rent Allowance (HRA): ₹1,12,000/-p.m. (in case the Company provides rent free accommodation, the differential amount between cost of such rent free accommodation and the aforesaid amount of HRA will be paid to him as Special Allowance).
- d) Provident Fund (PF): The Company will contribute 12% of his Basic Salary towards Employees' Provident Fund as per the extant laws. (In case the Company does not contribute or is not required to contribute as per the extant laws, such PF equivalent amount will be paid to him as Special Allowance).
- e) Leave Travel Assistance (LTA): LTA not exceeding ₹2,80,000/- in a financial year. This will be paid at the time of the Annual Leave and subject to the LTA Rules of the Company. (In case the same is not availed or partially availed by the Managerial Person, equivalent amount of such non-availed portion of LTA will be paid as Special Allowance).
- f) Performance Pay of ₹15,80,000/- p.a. at the end of every completed year of service subject to the appraisal of the performance by the Board of Directors of the Company during his aforementioned term of office.
- g) Mediclaim Insurance coverage shall be provided to Mr.V.Vijay Shankar and his spouse, children and dependent parents as per the rules of the Company.
- h) Personal Accident Insurance: Coverage shall be provided to Mr.Vijay Shankar, under the Company's Group Personal Accident Policy.
- i) Club Fees: Annual/Monthly club subscription fees payable subject to maximum of two clubs.

2. Minimum Remuneration:

If in any financial year during his aforesaid term of office as such, the Company has no profits as computed in accordance with Section 198 of the Companies Act 2013, or such profits are inadequate, Mr.V.Vijay Shankar shall be paid the above remuneration as Minimum Remuneration in accordance with the allowable limits under Schedule V to the said Act.

3. Others:

- a) The Company will provide to Mr.Vijay Shankar, for the performance of his official duties, the following as per the applicable rules of the Company, the costs of which to the Company shall not form part of his remuneration.

- i. A chauffeur driven Car
 - ii. A telephone connection including appropriate instrument at his residence
 - iii. One or more mobile phone connections including appropriate handsets
 - iv. Reimbursement of club bills and business development expenses
- b) Mr.V.Vijay Shankar shall also be entitled to leave(s), on such terms as may be applicable to him as per the Rules of the Company, during his aforementioned term of office.

“RESOLVED FURTHER THAT the aforesaid constituents of Remuneration may be interchangeable within the overall ceiling specified above.”

“RESOLVED FURTHER THAT the Board of Directors / Nominations and Remuneration Committee be and is hereby authorised to alter and vary any such terms and conditions of the said appointment and remuneration or revise the remuneration in such manner as may be acceptable to between the Board and Mr.V.Vijay Shankar, subject to the same not exceeding limit or ceiling specified in Schedule V to the Companies Act, 2013 (or any statutory modifications or re-enactment thereof) and the agreement entered into, if any, between the Company and Mr.V.Vijay Shankar shall be suitably amended to give effect to such modification, relaxation or variation.”

“RESOLVED FURTHER THAT the terms of re-appointment between the Company and Mr.V.Vijay Shankar shall carry a condition that it may be terminated by either party by giving to the other party three months’ notice in writing and an Agreement shall be entered into between Mr.V.Vijay Shankar and the Company covering all the aspects as spelt out in this resolution and it shall be binding on both the parties.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps including acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

10. Borrowing Powers of the Board:

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

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the Shareholders, through postal ballot, on 14th June, 2010 and pursuant to the provisions of Section 180(1) (c) of the Companies Act 2013, the Rules made thereunder and its related and applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Article of Association of the Company, the Company hereby accords its consent to and authorises the Board of Directors (herein after called “the Board”, which term shall be deemed to include any other Committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its powers conferred on

the Board of Directors by this resolution on, or any person(s) authorised by the Board or its Committee for such purpose) of the Company for borrowing any sum or sums of money from time to time whether in Indian Rupees or foreign currency (including External Commercial Borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more Company’s Bankers and /or from any one or more Persons, Firms, Bodies Corporate, Financial Institutions, Banks or other acceptable source whether by way of advances, deposits, loans, debentures, bonds or other securities whether convertible into equity/preference shares and/ or securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe for equity/preference shares to, Bank(s), Financial or other Institutions, Mutual Fund(s), Non-Resident Indians, Foreign Institutional Investors or any other Person(s), Body(ies) Corporate, etc., whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of monies which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided such excess amount so borrowed by the Board shall not at any time exceed the limit of ₹800 Crores (Rupees Eight Hundred Crores Only).”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient.”

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

11. Creation of Charge on the Assets of the Company:

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

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the Shareholders, through postal ballot, on 31st August, 2013 and pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013, the Rules made there under and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification on or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Board of Directors of the Company (herein after called “the Board”, which

term shall be deemed to include any other Committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its powers conferred on the Board of Directors by this resolution on, or any person(s) authorised by the Board or its Committee for such purpose) be and is hereby authorised to create such charges, mortgages and hypothecations created or to be created by the Company, on such movable and immovable properties, both present and future, or the whole, or substantially the whole, of the undertaking or undertakings of the Company, and with such ranking as to priority and for such time and on such terms and in such manner as the Board may think fit, in favour of lenders, agents, trustees and other agencies to secure the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or Indian Rupee) and /or working capital facilities and/or Securities issued/

to be issued by the Company, from time to time, up to an aggregate amount of ₹800 Crores, together with interests, compound/additional interest, commitment charges, costs, expenses and all other monies payable by the Company to the concerned lenders.

By Order of the Board

Date : 30th May, 2014

Place : Hyderabad

Satish Kumar Subudhi

Company Secretary &
Head-Legal

Registered Office:

CIN: L24219AP1986PLC016607

Plot No.12-A, "C"- Block, Lakshmi Towers,

No.8-2-248/1/7/78, Nagarjuna Hills,

Panjagutta, Hyderabad-500082 INDIA.

Ph.040-33605123

e-mail : investors@nagarjunaagrichem.com

Website : www.nagarjunaagrichem.com

Notes:

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his / her stead and such proxy need not be a Member of the Company:**

Proxies / Power of Attorneys, in order to be effective must be received at the Registered Office of the Company not later than 48 hours before the Scheduled Time of the Meeting. A blank Proxy Form is annexed to this Annual Report.

2. **Explanatory Statement:**

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

3. **Director proposed to be approved / re-appointed:**

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

4. **Book Closure:**

The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 04th August, 2014 to Saturday, 9th August, 2014 (both days inclusive).

5. **Unclaimed Dividend:**

- a) The Members are hereby informed that the Company would transfer the dividends, which remain unclaimed for a period of 7 years, to the Investors Education and Protection Fund (IEPF) constituted by the Central Government under Section 205C of the Companies Act, 1956 (Sec. 125(2) of the Companies Act, 2013).
- b) Further the Company shall not be in a position to entertain the claims of the Shareholders for the unclaimed dividends which have been transferred to IEP Fund.
- c) In view of the above, the Shareholders are advised to send their requests for payment of unpaid dividend pertaining to the years 2006-07 (final dividend) through 2011-12(final dividend) to

the Share Transfer Agent (RTA) office or to the Registered Office of the Company at Hyderabad for issue of cheques / demand drafts before the due dates for transfer to the IEP Fund.

6. **Members Nomination:**

Members are advised to avail themselves of nomination facility as per the Section 72 of the Companies Act, 2013 for which Nomination Form can be availed from the RTA.

7. **Corporate Members:**

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

8. **Important Communication to Members:**

- a) The Ministry of Corporate Affairs, Government of India has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice /documents including Annual Report can be sent by e-mail to it's Members. To support this Green Initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by submitting the e-mail Registrations Form attached with this Annual Report.
- b) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), mandates, nominations, power of

attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

- c) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA of the Company for assistance in this regard.
- d) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

9. Communication:

All communications relating to the shares may be addressed to our Share Transfer Agent (RTA) Office i.e., M/s XL Softech Systems Limited, (Unit: Nagarjuna Agrichem Limited) No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500034 Telephone No:040-23545913 /914/915 ; Fax No.040-23553214, e-mail ID: xlfield@gmail.com Website: www.nagarjunaagrichem.com (where you can find more information about the Company.)

10. Listing Fees:

The Company has paid the Listing Fees for the year 2014-15 to the Stock Exchange, Mumbai where the equity shares of the Company are listed.

11. Members are requested to:

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

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company /RTA.

13. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of this Annual Report. The Directors have furnished the requisite declarations for their appointment/re-appointment.

14. Instructions about Voting:

The Members are requested to opt for one mode of voting, i.e. either through e-voting or postal ballot. If a Member casts votes by both modes, then voting done through a valid e-Voting shall prevail and physical ballot form voting of that Member shall be treated as invalid. Please refer the following detailed instructions for both modes voting.

A) Voting through electronic means:

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

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

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

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

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
 - (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
 - (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the relevant EVSN for Nagarjuna Agrichem Limited.
 - (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- II. The voting period begins on 04-08-2014 (9.00 AM) and ends on 05-08-2014 (6.00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as of 04-07-2014 (i.e., the cut-off) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help Section or write an email to helpdesk.evoting@cdslindia.com or investors@nagarjunaagrichem.com
- IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 4-07-2014.
- V. Mr.C.K.Burma, Practicing Company Secretary (Membership No:9566), Proprietor of M/s C.K.Burma & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- VI. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company.

B) Voting by using the Postal Ballot Form:

- I. A Ballot Form is provided (enclosed separately) for the benefit of Members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
- II. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr.C.K.Burma & Co, Practicing Company Secretaries, not later than the close of working hours (1700 hours) on 06th August, 2014. For this purpose, a self-addressed prepaid "Business Reply Inland Letter" ("BR Letter") is enclosed and postage will be paid by the Company, if posted in India. The BR Letter bears the name and address of the Registered Office of the Company, and is to the attention of the Scrutinizer. However, BR Letters containing the Ballot Form(s), if deposited in person or sent by courier or registered / speed post at the expenses of the Member, will also be accepted.
- III. The Form should be signed by the Member as per the specimen signature registered with the Company / Depository Participants. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. There will be one Form for every Folio/ Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise of vote is not permitted through proxy.
- IV. For shares held by Companies, Bodies Corporate, Trusts, Societies, etc. the duly completed Form should be accompanied by a certified true copy of the Board Resolution/ Authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
- V. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided for assent/ dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the Member's total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.

- VI. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 04th July, 2014 ("Cut Off Date") as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners.

- VII. Duly completed Forms should reach the Scrutinizer not later than the close of working hours (1700 hours) on 06th August, 2014. Ballot Forms received after 06th August, 2014 will be strictly treated as if the reply from the Members has not been received.

- VIII. A Member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate. Form should reach the Scrutinizer not later than the date specified at Sl.No.6 above.

- IX. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.

- X. The Scrutinizer's decision on the validity of a Ballot will be final.

- XI. Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.

C) Other Instructions:

- I. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through physical ballot, to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.

- II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.nagarjunaagrlichem.com and be communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd.

- III. Members may address any query to Mr.Satish Kumar Subudhi, Company Secretary & Head-Legal, Practicing Company Secretary, at the Registered Office of the Company, Tel. No.040-33605123/124/125, Tel. No. 040-33605123/124 Fax No. 040-23350234 Email address: investors@nagarjunaagrlichem.com Website: www.nagarjunaagrlichem.com.

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

Item No.4:

The Board, at the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors namely M/s K. Narasimha Murthy & Co., (Registration No.4042), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, at a Cost Audit Fees of ₹4,25,000/- (plus service tax, out-of-pocket, travelling and other expenses etc.).

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("Act") and as per the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

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

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 set out at Item No. 4 of the Notice.

Item No.5:

Pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Mr.Raghavender Mateti as an Additional Director of the Company with effect from 26th February, 2014. In terms of said Section 161, Mr.Raghavender Mateti (DIN 06826653) would hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr.Raghavender Mateti, for the office of Director of the Company.

Mr.Raghavender Mateti is not disqualified from being appointed as a Director in terms of Section 164 and other applicable provisions of the Act and has given his consent to act as a Director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. In this regard, the Company has received a declaration from Mr.Raghavender Mateti that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr.Raghavender Mateti fulfils the conditions for appointment as an Independent Director as specified in the Act and Rules made thereunder and the Listing Agreement. Mr.Raghavender Mateti is independent of the Management.

As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and he shall not be included in the total number of Directors for retirement by rotation.

Brief resume of Mr.Raghavender Mateti, nature of his expertise in specific functional areas and names of companies in which he holds Directorships and Memberships/Chairmanships of Board, Committees, shareholding and relationships between Directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of this Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr.Raghavender Mateti is appointed as an Independent Director.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The terms and conditions of appointment of Mr.Raghavender Mateti, pursuant to the provisions of Schedule IV of the Act, 2013 shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

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

Save and except Mr.Raghavender Mateti and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No.6 & 7:

Mr.D.Ranga Raju and Mr.K.Raghuraman are the Independent Directors of the Company and have held the positions as such for about five years or more.

The provisions of the Companies Act, 2013 read with amended clause 49 of the Listing Agreement *inter-alia* stipulate the conditions for appointment of Independent Directors by a listed Company.

It is proposed to appoint Mr.D.Ranga Raju and Mr.K.Raghuraman as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement for a term of 5(five) consecutive years.

Mr.D.Ranga Raju and Mr.K.Raghuraman are not disqualified from being appointed as Directors in terms of Section 164 and other applicable provisions of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has also received notices in writing from Member(s) along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of each of Mr.D.Ranga Raju and Mr.K.Raghuraman for the office of Directors of the Company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. The Company has received a declaration from both Mr.D.Ranga Raju and Mr.K.Raghuraman that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, both Mr.D.Ranga Raju and Mr.K.Raghuraman fulfil the conditions for their appointment as an Independent Director as specified in the

Act and Rules made thereunder and the Listing Agreement. Mr.D.Ranga Raju and Mr.K.Raghuraman are independent of the management.

Brief resume of both Mr.D.Ranga Raju and Mr.K.Raghuraman, nature of their expertise in specific functional areas and names of companies in which they holds Directorships and Memberships / Chairmanships of Board, Committees, shareholding and relationships between Directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of this Annual Report.

Keeping in view their vast expertise and knowledge, it will be in the interest of the Company that both Mr.D.Ranga Raju and Mr.K.Raghuraman are appointed as Independent Directors.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The terms and conditions of appointments of Mr D.Ranga Raju and Mr.K.Raghuraman, pursuant to the provisions of Schedule IV of the Act, 2013 shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

The Board commends the Ordinary Resolution set out at Item Nos. 6 and 7 of the Notice for approval by the shareholders.

Mr.D.Ranga Raju and Mr.K.Raghuraman are interested in the resolutions set out respectively at item No.6 and 7 with regard to their respective appointment. The relatives of Mr.D.Ranga Raju and Mr.K.Raghuraman may be deemed to be interested in the resolutions set out respectively at item No.6 and 7 of this Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 and 7 of the Notice.

Item No.8:

Mr.N.Vijayaraghavan was appointed as an Additional Director of the Company with effect from 16th September, 2008 and subsequently appointed as a Whole-time Director of the Company with effect from 24th October, 2008. However, continuing as a Director of the Company, he resigned from the positions of Whole-time Directorship with effect from 29th October, 2011. He becomes eligible to be appointed as an Independent Director effective 30th October, 2014 in terms of Listing Agreement norms read with Section 149 of the Companies Act, 2013 which *inter alia* stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. The Company has received a declaration from Mr.N.Vijayaraghavan that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement with effect from 30th October, 2014. In the opinion of the Board, Mr.N.Vijayaraghavan has fulfilled the conditions for his appointment as an Independent Director with effect from 30th October, 2014 as specified in the Act and Rules made thereunder and the Listing Agreement. Mr.N.Vijayaraghavan is independent of the Management.

It is proposed to appoint Mr.N.Vijayaraghavan, as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement for a term of 5 (five) consecutive years with effect from 30th October, 2014.

Mr.N.Vijayaraghavan is not disqualified from being appointed as Director in terms of Section 164 and other applicable provisions of the Companies Act, 2013 and have given his consent to act as Director.

The Company has received a notice in writing from Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr.N.Vijayaraghavan for the office of Director of the Company.

Brief resume of Mr.N.Vijayaraghavan, nature of his expertise in specific functional areas and names of companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr.N.Vijayaraghavan be appointed as an Independent Director.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The terms and conditions of appointment of Mr.N.Vijayaraghavan, pursuant to the provisions of Schedule IV of the Act, 2013 shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Save and except Mr.N.Vijayaraghavan and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

Item No.9:

As the Members aware, Mr.V.Vijay Shankar was appointed as the Managing Director of the Company for a period of three (3) years commencing from 11th May, 2011 vide necessary resolutions passed by the Shareholders in their 24th Annual General Meeting held on 12th August, 2011 and subsequently 25th Annual General Meeting held on 26th September, 2012.

As the said tenure is expiring on 10th May, 2014, the Board of Directors of the Company (the 'Board'), accordingly, on its Meeting held on 25th April, 2014 has, subject to the approval of Members, re-appointed Mr.V.Vijay Shankar, as the Managing Director of the Company, for a further period of 3 (three) years with effect from 11th May, 2014, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the Members' approval for the said re-appointment of and remuneration payable to Mr.V.Vijay

Shankar, as Managing Director, in terms of the applicable provisions of the Companies Act, 2013.

Further, considering his notable contributions, more particularly during the challenging times and the prevailing managerial remuneration in the Industry, it is also proposed to revise his remuneration, the details of which set out in the resolution at item No.9 of the Notice. The total remuneration is within the prescribed limits specified in Schedule-V of the Companies Act, 2013.

Mr.V.Vijay Shankar satisfy all the conditions set out in Part-I of Schedule V of the Companies Act, 2013 as also conditions set out under sub-section (3) of the Section 196 of the Act for being eligible for re-appointment.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr.V.Vijay Shankar, under Section 190 of the Act.

Mr.Vijay Shankar is a Chartered Accountant and has vast experience in various Chemical Industries and extensive experience in Fertilizers & Agri and Automobile sectors over more than three decades through his association in Zuari – Chambal, Nagarjuna and Mahindra & Mahindra Groups. His last assignment was with Zuari Group.

Brief resume of Mr.V.Vijay Shankar, nature of his expertise in specific functional areas, names of companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships amongst Directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided here in below and in the Corporate Governance Report forming part of this Annual Report.

Brief details about him are furnished herewith:

Date of birth	17 th November, 1956
Qualification	Fellow Member of the Institute of Chartered Accountant of India.
Experience and expertise in specific functional area	He has over 30 years experience in large Organisations at Senior levels. He has extensive experience in General Management with special emphasis on Strategic, Finance and Commerical functions.
Relationship with other Directors of the Company.	None
Current shareholding in Nagarjuna Agrichem Limited	17,533 Equity shares of ₹1/-each (held together with spouse). However, he has nil shareholding at the time of joining.
Directorship held in other Companies	LR Research Laboratories Private Limited (date of appointment: 17-08-2011)
Membership /Chairmanship of Committee in Indian Public Limited Companies	Nil

The disclosure as required to be given under rules and regulations of the new provisions laid in Companies Act, 2013 are given herein below for the information of the shareholders:

(i) General Information:

1.	Nature of Industry	Manufacturing of Pesticides
2.	Date or expected date of commencement of commercial production	01 st July, 1994
3.	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus.	Not applicable
4.	Financial Performance based on given indicators	As disclosed in this Annual Report 2013-14.
5.	Foreign Investments or Collaboration, if any	Nil

(ii) Information about the appointee:

1.	Background details	He is a Chartered Accountant and has vast experience in various Chemical Industries and extensive experience in Fertilizers & Agri and Automobile sectors over more than three decades through his association in Zuari - Chambal, Nagarjuna and Mahindra & Mahindra Groups. His last assignment was with Zuari Group.								
2.	Past Remuneration	<table><tr><td>Period</td><td>Amt. in ₹</td></tr><tr><td>2011-12</td><td>- 73.84 lakhs</td></tr><tr><td>2012-13</td><td>- 68.55 lakhs</td></tr><tr><td>2013-14</td><td>- 66.61 lakhs</td></tr></table>	Period	Amt. in ₹	2011-12	- 73.84 lakhs	2012-13	- 68.55 lakhs	2013-14	- 66.61 lakhs
Period	Amt. in ₹									
2011-12	- 73.84 lakhs									
2012-13	- 68.55 lakhs									
2013-14	- 66.61 lakhs									
3.	Recognition or awards	-								

4.	Job profile and his suitability	Being in possession of substantial powers of Management, as enumerated in the Companies Act, 2013 Managing Director's job involves General Management and providing strategic direction to the Company. He is suitable for the job due to his extensive experience in handling General Management, Strategic, Finance and Commercial functions.
5.	Remuneration proposed	As specified in the Resolution.
6.	Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would w.r.t. the Country of his Origin).	Comparable.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	Not applicable

(iii) Other information:

1.	Reasons of loss or inadequate profits	The non-availability of about 40% capacity of the Srikakulam Plant due to the fire accident on 30 th June, 2012 was the major reason for the loss of inadequate profits during 2013-14. The reasons for losses or inadequate profit, if any, in any financial year during the tenure of Managing Director, will be suitably explained in the Annual Reports of respective financial years.
2.	Steps taken or proposed to be taken for improvement.	The effected black of Srikakulam Plant was restarted in March, 2014 and production has commenced. Necessary precautions for smooth operations of the plant. The Management of the Company always monitors the operations of the Company, its profitability and mitigates various risk factors, that could lead to losses, which are with in its control.
3.	Expected increase in productivity and profits in measurable terms.	The Company has projected to achieve the turnover of more than ₹1000 crores within next two years and achieve a sizeable profit on the said turnover.

(iv) Disclosures:

All elements of remuneration packages such as salary, benefits, etc., as stipulated under Section II of Schedule V of the Companies Act, 2013 read with respective provisions in the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of this Annual Report.

The appointment and terms of remuneration of Mr.V.Vijay Shankar, as Managing Director with effect from 10th May, 2014 are pursuant to the provisions of Article 141 of the Company's Articles of Associations and Sections 196, 197 read with Schedule V of the Companies Act, 2013 & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force). Mr.V.Vijay Shankar shall not, while continuing to be the Managing Director, be subject to retirement by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013.

Pursuant to the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the Members in General Meeting is required to be obtained for the re-appointment and the terms of remuneration of Mr.V.Vijay Shankar as Managing Director, as set out at the Item No.9 of the Notice.

The Board is of the opinion that it is in the interest of the Company to receive the benefit of Mr.V.Vijay Shankar's services and accordingly commend the Resolutions at Item No.9 for approval by the Members by way of a Special Resolution. This may also be treated as an abstract of the draft agreement between the Company and Mr.V.Vijay Shankar pursuant to Section 190 of the Act.

Save and except Mr.V.Vijay Shankar and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

Item No.10:

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180(1)(c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company. The borrowing limit of Rs.800 Crores under the earlier resolution passed by the shareholders, through postal ballot, on 14th June, 2010, remains unchanged.

The Board commends the Resolution at Item No.10 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.10 of the Notice.

Item No.11:

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds etc., to secure the repayment of moneys borrowed by the Company (including Temporary Loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180(1)(a) of the Companies Act, 2013, the above powers can be exercised by the Board

only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including Temporary Loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180(1)(a) of the Companies Act, 2013, by way of a Special Resolution.

The existing limit of Rs.800 Crores under the earlier resolution passed by the shareholders, through postal ballot, on 31st August, 2013 remains unchanged.

The Board commends the Resolution at Item No.11 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.11 of the Notice.

By Order of the Board

Date : 30th May, 2014
Place : Hyderabad

Satish Kumar Subudhi
Company Secretary &
Head-Legal

Registered Office:
CIN: L24219AP1986PLC016607
Plot No.12-A, "C"- Block, Lakshmi Towers,
No.8-2-248/1/7/78, Nagarjuna Hills,
Panjagutta, Hyderabad-500082. INDIA. Ph.040-33605123
Fax No.: 040-23350234.
e-mail: investors@nagarjunaagrichem.com
Website: www.nagarjunaagrichem.com

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 27th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2014.

Operating Results:

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

(₹ in lakhs)

Particulars	2013-14	2012-13
Sales	63,584	60,058
Other Income	1,933	1,819
Total Income	65,517	61,877
Operating Expenditures	67,525	6,3870
Exceptional items	330	-
Profit / Loss Before Taxation	(-) 2,338	(-)1,993
Less: Provisions for Taxations	(-) 216	(-)727
Profit After Taxation	(-) 2,122	(-)1,266

Performance:

The dampening effect of the fire incident of June 2012 in Block-5 of Srikakulam plant continued to have an impact on the performance for the year under review.

Your Company has reported revenue of ₹655.17 Crores for the year 2013-14, as against ₹618.77 crores recorded in 2012-13, registering a growth of 6 % despite the non availability of Block 5 of Srikakulam. The growth in your Company's revenues has been mainly due to improved performance of the Domestic Formulation Sales.

The EBIT and Cash Profit stood at ₹7.92 Crores and ₹(-)1.50 Crores during the year under review, compared to ₹10.77 Crores and ₹5.35 Crores respectively in the previous year.

Domestic & Export Markets:

The monsoon rains were good as well as wide spread in 2013. Most parts of the Country barring North East received normal rains in the first half of the year under review. This has a positive impact on various crop acreages. However, the continued rain in the second half of the year and impact of Phailin and Helen cyclones have created flood like situation in most of the south eastern states, causing damage to various crops mainly the standing kharif crops. Raw material supplies were a constraint faced by the Industry as a whole and your Company has tried to meet this challenge by changes in the product mix, crop mix and procurement planning.

Despite challenging market environment, your Company could achieve the Domestic Sales of ₹477 Crores as against ₹417 Crores in the previous year recording a growth of 14%. This growth is mainly attributable to the expanded market area and crops, product portfolio management, new supply chain initiatives and production flexibility of Ethakota Formulation Plant.

Exports and Institutional Sales have been affected due to the continued closure of fire affected Block-5 of Srikakulam Plant. The sale has accordingly decreased by around 9% from that of the previous year.

Plant Operations:

The Ethakota plant was able to meet the requirements of the Domestic Formulation Market. The higher demand could have been met but for raw material supply constraints, which was an Industry wide phenomenon. It has achieved a production of 20,298 MT/KL in the year under review, comparing to the previous year record production of 22,327 MT/KL. Your Company continued to focus on streamlining and enhancing the production capabilities by adding new lines and other infrastructure facilities, debottlenecking, quality control and enhanced productivity. Although the efforts taken in the past have yielded the desired results, however the factors like rising input costs, raw material supply constraints, erratic & irregular power supply from Electricity Board, manpower shortage issues etc. continue to be causes of concerns.

The rebuilding work of fire affected Block-5 of the Srikakulam plant has been successfully completed and the same was re-commissioned on 9th March 2014 and the first output of the product was received on 30th March 2014. Despite the affected block, which contributes about 40% of the plant capacity, the plant could achieve the annual production of 3,139 MT/KL as against 2,129 MT/KL in the previous year. As a part of risk mitigation measures and in order to prevent any such untoward events in future, the plant has continued focusing on various initiatives and additional safety measures. The working environment has been amicable that led to maintaining a cordial relationship with workers Unions and other stakeholders. Your Company has been successful in renewing the periodic contracts with those unions.

New Projects/Products:

The 'State-of-the-art' R&D Centre commissioned at Shadnagar, near Hyderabad, during the previous year, has been active during the year under review and successful in developing various cost effective processes for manufacture of Active Ingredients (AI) and the intermediates for Herbicides, Insecticides & Fungicides. Emphasizing the need for developing new Formulations of Pesticides and improving the existing processes for better productivity, it has initiated various steps with a expectation to achieve the desired results in the days to come. It is also planning to have an accredited GLP (Good Laboratory Practices).

Dividend:

Keeping in view the need for continuing investment in its operations, improve the cash flow position, sustainable development and also with an eye to improved production in the plants, your Directors have considered it prudent not to declare any dividend for the year under review.

Increase in paid up Share Capital:

In compliance with the requirements of Clause 40A of the Listing Agreement with the Stock Exchange to raise public shareholding of the Company to not less than 25% and as per the terms of the resolution passed by Shareholders in the Extra-ordinary General Meeting held on 22nd May, 2013, your Company has issued 69,29,938 Bonus Shares only to the public shareholders in the ratio of three Equity

Shares for every fourteen Equity Shares of the Company, resulting the Company's paid-up Capital increased from 14,89,81,570 to 15,59,11,508 Equity Shares of Re.1/- each.

Windmills:

Pursuant to the approval accorded by Shareholders by way of postal ballot, your Company has disposed off the 3 Windmills having total capacity of 6.3 MW, located near Tirunelveli in Tamilnadu State during the year under review.

Subsidiary Companies and Consolidation of Financial Statements:

In Accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other Financial Statements / Documents of the Subsidiary Companies viz., Nagarjuna Agrichem (Australia) Pty Ltd and LR Research and Laboratories Pvt.Ltd (which are yet to commence its operations / activities) are not being attached with the Balance Sheet of the Company. The Audited Annual Accounts and related information of Subsidiaries as applicable will be made available upon request. The Statement required under Section 212 of the Companies Act, 1956 is attached to the Annual Accounts of the Company.

Pursuant to clause 32 of the Listing Agreement with Stock Exchanges, applicable provisions of the Companies Act, 1956 and as per Accounting Standard (AS) 21 and other applicable Accounting Standards, the Audited Consolidated Financial Statements for the year ended on 31st March, 2014 are provided in this Annual Report. The Company has prepared consolidated financial statements by incorporating the financial statements of its wholly owned subsidiary L.R.Research Laboratories Pvt. Ltd. with its financial statements on line by line basis. There are no operations in the wholly owned subsidiary namely Nagarjuna Agrichem (Australia) Pty. Ltd and hence, there is no consolidation of Statement of Profit and Loss in respect of the same. The investments of the company in Nasense Labs Private Ltd., an Associate Company, have been accounted for in these consolidated statements under the Equity Method in accordance with AS 23 – “Accounting for Investments in Associates”

Environment Protection:

Your Company laid great emphasis on safety in the plant operations and proper environment management. Towards this, new ETP was commissioned at Ethakota Unit and a new Scrubber System was commissioned at Shadnagar during the year. The operations of Zero Liquid Discharge (ZLD) facility at Srikakulam Unit have been stabilized. Steps and efforts are in place in the direction of demonstrating constantly improved environmental performance.

Your Company continues to enjoy the certifications ISO: 9001:2008, ISO: 14001 and OHSAS : 18001 accredited for its proven standards covering in the areas of Quality, Environment, Safety and Health Management Systems respectively.

Corporate Social Responsibility:

Your Company is carrying out various social activities in diverse fields in Srikakulam and Ethakota, where the factories are situated. Such activities include but not

limited to ongoing drinking water supplies to villages and installing RO plants in neighboring villages, contribution to Vidya Volunteer Scheme and Mythri Police, contributions during Phalline Helen Cyclones, streetlight & borewell maintenance, development of school facilities, community centers & bus shelters in surrounding villages of the factories, providing medical services & vocational courses and conducting various medical camps etc.

Directors:

We regret to report the sad demise of Dr.Nitish K Sengupta, Chairman and an Independent Non-Executive Director of the Company on 03rd day of November, 2013. The Directors place on record his valuable and constructive contribution to the Company during his long association of about 18 years with the Company.

In accordance with the provisions of the Companies Act, 2013 Mr.Sudhakar Kudva, Director of the Company will be retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr.Raghavender Mateti was appointed as an Additional Director designated as an Independent Director with effect from 26th February, 2014 and he shall hold office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a Member proposing Mr.Mateti for appointment as an Independent Director. As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and is not liable to retire by rotation.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr.D.Ranga Raju, Mr.K.Raghuraman, Mr.N.Vijayaraghavan, and the aforesaid Mr.Raghavender Mateti as Independent Directors is being placed before the Members in this Annual General Meeting for approval. The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with Stock Exchange. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Directors and are independent of the Management. Members are requested to refer to the Notice of the Annual General Meeting and the Explanatory Statement for details of the qualifications and experience of the Directors and the period of their appointment. The Board commends the passing of the Resolutions at Item Nos. 5 to 8 of the Annual General Meeting Notice.

Pursuant to Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, Mr.V.Vijay Shankar is proposed to be re-appointed as Managing Director of the Company for further period of three years with effect from 11th May, 2014.

Auditors:

At the Annual General Meeting, Members will be required to appoint Auditors for the next term. M/s.M. Bhaskara Rao & Co., Chartered Accounts, Hyderabad, the existing

Auditors have furnished a certificate, confirming that if re-appointed, their re-appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. The Members are requested to consider their re-appointment as Auditors of the Company for the next term of three years, and authorize the Board of Directors to fix their remuneration.

Cost Auditor:

M/s. K. Narasimha Murthy & Co., Cost Accountants, Hyderabad have been appointed to conduct Cost Audits relating to Insecticides (Technical Grade and Formulations), Company for the year ending 31st March, 2015. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under, Members are requested to consider the ratification of the remuneration payable to M/s. K. Narasimha Murthy & Co. The due date for filing of the Cost Audit Reports for the financial year 2012-13 was 30th September, 2013. The Company has duly filed the Reports with the Ministry of Corporate Affairs on 19th September, 2013.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- I. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- II. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the Profit / Loss of the Company for the year ended on that date.
- III. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- IV. the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.

Transfer of Un-claimed Dividend:

Pursuant to Section 205C (2) of the Companies Act, 1956 read with the Investor Education and Protection Fund (awareness and protection of investors) Rules, 2001 as amended from time to time, the un-claimed dividends amounting ₹6,73,532/- (Rupees Six Lakhs Seventy Three Thousand Five Hundred Thirty Two only) and ₹6,37,640/- (Rupees Six Lakhs Thirty Seven Thousand Six Hundred Forty only) pertaining to the Final Dividend for the year 2005-06 and the Interim Dividend declared during the year 2006-07 respectively were transferred to the Investors Education and Protection Fund during the year under review. The un-claimed Final Dividend for the year 2006-07 and Interim Dividend declared during the year 2007-08 are due for transfer to the said fund.

Fixed Deposit:

Your Company has not accepted any Fixed Deposits from the Public during the year.

Industrial Relations:

The Industrial Relations at the factories and Head Office continued to be cordial.

Insurance

All the assets and insurable interests of your Company including inventories, buildings, plant and machinery, enactments are adequately insured.

Personnel:

Your Directors would like to place on record their deep sense of appreciation of the devoted services of the executives, staff and workers of your Company. In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, the names and particulars of the employees are set out in the Annexure-II to the Directors' Report.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

Disclosures required under the provisions of Section 217 (1) (e) of the Act relating to conservation of Energy, Technology Absorption and Foreign Exchange outgo and earning, in terms of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, are set out in a separate statement attached hereto (Annexure – I) and forms part of this report.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate Section forming part of this Annual Report.

Corporate Governance:

A separate Section on Corporate Governance and a Certificate from the Auditors of the Company regarding Compliance of Conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of this Annual Report.

Acknowledgement:

Your Directors thank the Company's Bankers and the Financial Institutions for their help and co-operation extended throughout the year. Your Directors place on record their appreciation for the support and co-operation that the Company received from its Stakeholders, Customers, Agents, Suppliers, Employees, various Government / Non-Government Departments, Associates and Community in the vicinity of the plants. Your Directors also record their appreciation for the excellent operational performance of the staff of the Company that contributed to the achievements of the Company. The Directors also acknowledge with much gratitude, the continued trust and confidence reposed by the Dealers / Customers of the Company. Your Directors look forward to the future with confidence.

For and on behalf of the Board

Place : Hyderabad
Dated : 30th May, 2014

K.S.Raju
Director

V.Vijay Shankar
Managing Director

ANNEXURE - I TO THE DIRECTORS' REPORT

FORM - A

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY

A.	POWER AND FUEL CONSUMPTION	UNIT	2013-14	2012-13
1.	ELECTRICITY:			
(A)	PURCHASES			
	Unit	KWH	2,03,57,431	1,15,86,627
	Total Amount (Net of Subsidy)	₹ in Lakhs	1,503	866
	Rate/Unit	₹	7.38	7.47
(B)	OWN GENERATION			
	(i) Through Diesel Generator Unit	KWH	6,53,586	19,28,227
	Unit per Liter of Diesel Oil	₹	2.70	2.49
	Cost/Unit	₹	22.99	19.29
2.	COAL(SPECIFY QUALITY & WHERE USED)	C Rom - Used for Boiler		
	Quantity	MT	27,358	15,400
	Total Cost	₹ in Lakhs	811.72	517.75
	Average Rate/Mt	₹	2,967.01	3,362.01
3.	FURNACE OIL			
	Quantity	KL	223.12	55.48
	Total Cost	₹ in Lakhs	98.77	24.32
	Average Rate/Mt	Rs	44,269	43,833
4.	OTHERS / INTERNAL GENERATION (PLEASE GIVE DETAILS)			
	Diesel (Consumed for ETP - Rotary Klin)			
	QUANTITY	MT	492.08	77.68
	TOTAL COST	₹ in Lakhs	325.46	30.73
	RATE/UNIT (KL)	₹	66139	39,565
5.	CONSUMPTION PER TONN OF PRODUCTION	MT		
	Electricity	KWH	6,327.67	5,850.75
	Furnace Oil	KL	0.07	0.03
	Coal-Quality:C Rom	MT	8.67	7.17
	Other (Specify)-Diesel/Farm Waste	MT	0.16	0.03

FORM - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO

A. RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the Company :
 - a. R & D Work on the existing processes to make them environmentally friendly and cost effective.
 - b. Indigenous process developments for new products.
2. Benefits derived as a result of the above R&D : Increased export business and improved product quality.
3. Future plans of action : Introduction of new products through indigenously developed technology.
4. Expenditure on R&D
 - a. Capital : ₹3,66,30,682/-
 - b. Recurring : ₹1,38,31,576/-
 - c. Total Expenditure as a percentage of total turnover : 0.79%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation. : Increased size of R&D, Process development, purchase of new equipments and generation of process technical data for new products.
2. Benefits derived as a result of the above effort eg. Product improvement, cost reduction product development, import substitution etc., :
 - a. The plants operated effectively with new addition of products.
 - b. Exports started growing.
 - c. Some products registered; cost reduction.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the technical year) following information may be furnished :
 - a. Technology imported : None
 - b. Year of import : Not Applicable
 - c. Has technology been fully absorbed : Not Applicable
 - d. If not fully absorbed, areas where this has not taken place, reasons there fore and future plans of action : Not Applicable

C. PARTICULARS OF FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans : Exports are an important part of NACL future growth strategy. As a result of new product introduction and Research & Development investments, Exports have shown a satisfactory results
2. Foreign Exchange Outgo and Earnings :

Foreign Exchange Outgo	₹ In Lakhs
Raw Materials	: 13,296.37
Capital Goods	: 360.02
Traded Goods	: Nil
Others	: 157.61
Total	: 13,814.00
Foreign Exchange Earnings (FOB Value)	: 9,204.86

ANNEXURE - II TO THE DIRECTORS' REPORT**Statement of Particulars of Employees Pursuant to the Provisions of Section 134 of the Companies Act, 2013**

Name of the Employee	: Mr.V.Vijay Shankar
Designation	: Managing Director
Age (years)	: 57 years
Qualifications	: Chartered Accountant
Experience (years)	: 31 years
Remuneration	: ₹66.61 lakhs. p.a.
Date of Commencement of employment	: 11 th May, 2011
Details of last employment	: Zuari Industries Limited

Management Discussion and Analysis Report

This discussion is on Agrochemical Business as it constitutes the main part of the revenues of the Company.

Economic Scenario:

The world economy has experienced subdued growth in 2013. Most developed economies are still facing the lingering effects of the earlier financial crisis. The emerging economies have slowed down in the past two years. India has faced multiple challenges viz: fiscal deficit, inflation, political uncertainty, rapid depreciation of the Rupee etc. All these have resulted in sluggish domestic demand and growth. Towards the end of the fiscal year, certain fiscal and monetary initiatives taken by the Indian Government and the Reserve Bank of India (RBI) helped stabilizing financial market conditions, but the domestic macro-economic environment still remains challenging.

The global economy estimated to accelerate the growth in the current year despite positive outlook subdued by the potential consequences of tapering of US Fed QE policies. There are high expectations from the new Government as is evidenced by the robust performance of Stock market and appreciation of the Rupee.

Industry Overview:

India is one of the fastest developing countries. Though Agriculture is the primary source of livelihood for more than 50% its population directly and indirectly, it's contribution to the GDP is below 15%. Growing populations, shrinking farmland, scarcity of water continue to increase pressure on improving farm productivity. In this connection, pesticides plays an important role to the farmer in trying to minimise the loss due to insects, weeds and diseases, given that about 35 to 45 % crop production is lost on this account. The Government has raised the Minimum Support Price (MSPs) of crops in the range of 30% to 91% in the last five years. This hike has been a significant driver of pesticide use, as farmers realize the cost of wastage due to pest attacks or plant diseases. The shortage of agricultural labor further increased the Agro-Chemical usage in the form of herbicides. Food shortages, increasing food prices and growing concern for food security have underlined the importance of food crop farming. Agro-Chemicals play an important role in farming and food security of a densely populated country like India. There is huge scope to scale up the pesticide market and this makes optimistic future for the Indian Agro-Chemical Industry.

The pesticides sector has staged a sharp rebound in 2013-14 on good monsoon and currently the sector is worth about ₹30,000 Crores, including exports. The crop protection market has experienced strong growth in the recent past and is expected to grow further at approximately 12% p.a. to reach \$ 6.8 billion by FY-2017. Among the agrochemicals, insecticides have dominated consumption pattern in India. Cotton, rice, wheat, soybean, pulses, plantation crops, fruits and vegetables are the major consumers of agrochemicals.

India is currently the fourth largest producer of Agro-Chemicals in the world after the United States, Japan

and China. The Agro-chemicals Industry is crucial to the Indian economy that is heavily dependent on the agricultural sector. With domestic consumption increasing, employment of advanced technology and strategic moves by the agrochemical industry can actually raise the export capacity of Indian agricultural as well.

However, despite the many benefits of using Agro-Chemicals in a heavily monsoon-dependent agricultural economy, the use of these in India remains uncharacteristically low. This, coupled with a lack of R&D initiatives, and a paucity of foresight in the industry, has meant that India's Agro-Chemical industry has not been able to lead the way.

Outlook:

World Agro-Chemical market has witnessed an increase in the consumption of Agro-Chemicals especially in crops like rice, soybean, wheat, plantations, vegetables, horticulture and pulses. This growth is mainly driven by the increase in global population which is increasing the food demand and, declining availability of arable land and agrochemical use in bio-fuel production. However, the revenue may become subdued by market maturity and a tough pricing environment. In established markets such as Western Europe and North America, growth is expected to be below average in the years to come as commercial outfits and consumers try to restrict unnecessary pesticide use. Japanese market growth will also be quite slow. Asia Pacific is expected to see strong growth, with above average agricultural growth in Thailand, Indonesia and China fuelling crop-protection chemical demand. India is also fast introducing pesticide usage in the newer areas, where traditionally it has been absent.

Technological advances and land for crop cultivation will continue to boost agricultural production. Investment in the sector will intensify, creating growth opportunities across most sectors. Because arable land is limited and food demand is growing due to rising population, the agriculture sector is looking to agrochemical solutions to yield healthy crops and increase productivity. New products and technological innovation will attract the farming industry, under pressure to increase output. The business outlook for the current year is very optimistic due to the good monsoon in the last year and the water availability in the reservoirs. Increased sales from the many new Indian and exports markets are expected this year due to the new registrations and approvals obtained. Your Company's increased efforts in implementing various strategies as well as improving the efficiency and productivity of manufacturing facilities shall augur well with these opportunities for the growth of the Company.

Opportunities:

Given following positives, there exists a huge potential in the domestic and export markets for indigenous manufacturers:

- The growth of Indian agriculture sector was supplemented by several agriculture oriented policy

initiatives taken by the Government recently and resultant improving productivity in the Agriculture Sector and the availability of credit to the agriculture sector as priority sector.

- Increase in strategic alliances among large players for greater market reach and acquisitions of smaller Companies globally to diversify product portfolio.
- Increased R&D expenses for development of new molecules, process improvements and low dosage, high potency molecules. Focus on R&D in Bio-pesticides segment with increasing preference for environmentally safe products in the market.
- Low penetration of pesticides coupled with need to protect farm produce, growing variety of pests and their increasing resistance to pesticides would continue to drive the demand for the industry.
- Chinese Agrochemical Industry being continued to go through the phase of stricter and tightened pollution control norms, restricts its manufacturing facilities, thereby affecting the import from China. This gives an opportunity for India to produce Active Ingredients (AIs) and to be competitive in global markets. India becomes fast emerging to become a destination for contract manufacturing of generic pesticides.

Keeping in view the above, your Company is gearing up to seize these opportunities and in this regard, it has emphasized focus in re-strategizing to improve productivity and capacity utilization in its plants and to better leveraging its strength of large pan India dealer network / channel partners and brand value.

Threats, Risk and Concerns:

- With large number of end users spread across the geography, managing inventory & distribution costs is a challenge for the industry players. Effectiveness of current Supply Chain Management (SCM) practices in agrochemicals is another area of concern for the industry.
- Rising sale of spurious pesticides and spiked Bio-pesticides pose major threats to industry growth.
- Issues due to seasonal nature of demand and unpredictability of pest attacks, requires additional capacity building up and robust supply chain management.
- Concern on pesticides residues in the agricultural produce due to non judicious usage of pesticides.
- Dependency on monsoons, and vagaries of climate are major risk factors for agriculture.
- Non availability of key raw materials, regulatory changes in pesticides registration system to give protection to molecules which are already out of patent in India & World over, non availability of credit insurance & wild currency fluctuation also remains the major risks.

Internal Control System:

The Company has proper and adequate systems of internal controls which ensure that all the assets are safeguarded and that all transactions are authorised, recorded and reported correctly. The Company maintains adequate and effective control system and suitable monitoring procedures with regard to the purchase of raw materials, stores, plant & machinery, equipment and other assets as well as sale of goods. The finance and commercial functions have

been structured to provide adequate support and controls for the business of the Company. The Company's Internal Audit Systems are geared towards ensuring adequate Internal controls to meet the size and needs of business, for safeguarding the assets of the Company, evaluating reliability of financial and operational information, identifying weaknesses and areas of improvement and to meet with all compliances.

Financial Performance:

For the year 2013-14, the total Income at ₹635.84 Crores was 5.87% higher than previous year. The EBIT and Cash Profit stood at ₹7.92 Crores and ₹(-)1.50 Crores respectively compared to ₹10.77 Crores and ₹5.35 Crores last year. The Interest Cost at ₹28.00 Crores was 8.83 % lower compared to previous year due to disciplined working capital management and repayment of secured loans to the extent of ₹34.94 Crores.

The Financial Performance of your Company during 2013-14 on major parameters was as under:

Parameter	2013-14	2012-13
Profit Before Depreciation & Tax (as% of net sales)	(-)0.24%	0.89%
Return on Capital Employed	4.97%	6.19%
Return on Net Worth	(-)12.17	(-)6.51
Earnings Per Share (FV Re. 1/-)	(-)1.32	(-)0.81
Book Value Per Share	11.18	13.07

The performance of the Company during the year under review reflects the spillover affect of closure of fire affected Block-5 of the Srikakulam plant. The said Block has been re-commissioned successfully in the month of 31st March, 2014. Given its full fledged operations during the current financial year and the domestic market being upbeat in achieving the newer heights, the Company is expected to do well during financial year 2014-15.

Industrial Relations and Human Resources Development:

The number of employees in the Company as on the 31st March, 2014 was 1123. The Company enjoys cordial and harmonious industrial relations. Training programs and various initiatives are being taken to create an environment to enhance individual and team performance.

Cautionary Statement:

The Statement in the Report of the Board of Directors and Management Discussion & Analysis Report describing the Company's Projections, estimates, exceptions or prediction may be forward looking statement within meaning of applicable of Securities Laws and Regulations. Actual results could differ materially from those expressed implied since the Company's operations are influenced by many external and internal factors beyond the control of Company.

For and on behalf of the Board

Place : Hyderabad
Dated : 30th May, 2014

K.S.Raju
Director

V.Vijay Shankar
Managing Director

REPORT ON CORPORATE GOVERNANCE

A. CORPORATE GOVERNANCE:

At Nagarjuna we believe in the philosophy of SERVING SOCIETY THROUGH INDUSTRY.

This philosophy is backed by principles of concern, commitment, quality and integrity in all its acts and relationships with stakeholders, customers, associates and community at large, which has always propelled the Group towards higher horizons.

At Nagarjuna we continue to strive to transform the business environment we operate in. We are also at work transforming the society around us. Our aim is to create an environment which enhances opportunities for all the good things, better health, education and overall quality of living that life has to offer.

B. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company views Corporate Governance under the following major parameters:-

- 1) Transparency in relation to appointments, remuneration, Meetings of the Directors on the Board of the Company, Responsibility and Accountability of the Board of Directors.
- 2) Providing correct, accurate and relevant information to the shareholders regarding the functioning and performance of the Company pertaining to financial and other non-financial matters.
- 3) Internal and External Controls and Audits.

Date of Report:

The information provided in the Corporate Governance Report for the purpose of unanimity is as on 31st March, 2014.

The report is updated as on the date of the report wherever applicable.

C. BOARD OF DIRECTORS:

(i) Pecuniary Relationship:

Non - Executive Directors do not have any pecuniary relationship with the Company except as stated in Clause "F" of the Report.

(ii) Composition: The present strength of the Board of Directors is eight (8).

The Board consists of eminent persons with considerable professional expertise and experience in setting up and operating agrochemical manufacturing plants and pesticide formulations and in other fields such as Finance, Accounts, Legal and Taxation.

The Company has not entered into any materially significant transactions with its Promoters, Directors, Management or Relatives etc., which could have a potential conflict of interest with the Company.

The details of the composition of the existing Board of Directors are given below:

- 1) Composition of Board: The Company's Board of Directors presently comprises eight (8) Directors, of which one Director is a Executive Director (Managing Director) and balance seven are Non-Executive Directors of whom three are Independent Directors.
- 2) Number of Board Meetings held during the year and the dates of the Board Meetings:
During the year 2013-14, the Board met seven (7) times on 27th April, 2013; 18th May, 2013; 29th July, 2013; 07th August, 2013; 08th November, 2013; 08th February, 2014 and 26th February, 2014.
- 3) The maximum time gap between any two of the Board Meetings was not more than 4 months.

4) Attendance of each Director at Board Meetings and the last Annual General Meeting:

Sl. No.	Name of the Director	Category of Directorship	Number of Board Meeting held during his Directorship	Number of Board Meetings attended	Attendance at the last AGM held on 07 th August, 2013.
1.	Dr.Nitish K. Sengupta ®	Independent & Non-Executive	4	2	Yes
2.	Mr.K.S.Raju	Non-Executive & Non-Independent	7	4	Yes
3.	Mr.D.Ranga Raju	Independent & Non-Executive	7	5	Yes
4.	Mrs.K.Lakshmi Raju	Non-Executive & Non-Independent	7	2	No
5.	Mr.Sudhakar Kudva	Non-Executive& Non-Independent	7	6	Yes
6.	Mr.N.Vijayaraghavan	Non-Executive& Non-Independent	7	7	Yes
7.	Mr.K.Raghuraman	Independent & Non-Executive	7	5	Yes
8.	Mr.V.Vijay Shankar	Executive	7	7	Yes
9.	Mr.Raghavender Mateti @	Independent & Non-Executive	-	-	No

® Ceased to be a Director effective 03rd November, 2013@ Appointed on 26th February, 2014 as an Additional Director

5) Number of other Board / Board Committees each Director (being a Director of the Company as at the end of the financial year) is a Director / Chairman or Member:

Sl. No.	Name of the Director	Number of Directorships in other Public Companies.		Number of Committee * memberships held in other Public Companies	
		Chairman	Director	Chairman	Member
1.	Dr.Nitish K. Sengupta ®	2	2	-	-
2.	Mr.K.S.Raju	1	6	-	1
3.	Mr.D.Ranga Raju	2	3	-	2
4.	Mrs.K.Lakshmi Raju	-	-	-	-
5.	Mr.Sudhakar Kudva	-	2	1	-
6.	Mr.N.Vijayaraghavan	-	-	-	-
7.	Mr.K.Raghuraman	-	7	4	4
8.	Mr.V.Vijay Shankar	-	-	-	-
9.	Mr.Raghavender Mateti @	-	-	-	-

® Ceased to be Director effective 03rd November, 2013@ Appointed on 26th February, 2014 as an Additional Director

* Chairmanship/Membership of Board Committees includes only Audit Committee and Shareholders Grievance Committee.

None of the Directors on the Board is Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 of the Listing Agreement across all Companies in which he is Director. Necessary disclosure regarding Committee positions in other Public Companies have been made by the Directors.

D. INFORMATION TO THE BOARD :

During the year, the Board of Directors of the Company had been furnished information (including, but not limited to the following) to enable the Directors contribute in the decision making process:

- Quarterly Results of the Company.
- Annual operating plans, budgets, capital budgets, updates and all variances.
- Contracts in which Directors are deemed to be interested.
- Compliance of any regulatory, statutory nature or listing requirements.
- Minutes of the Meetings of the Board of Directors and Committees of the Board of Directors.

E. COMMITTEES OF DIRECTORS:

The Board of Directors has constituted the following Committees with adequate delegation of powers to discharge day-to-day affairs of the Company as well as to meet the exigencies of the business of the Company.

The Committees constituted by the Board as on date are:

1. Share Committee (Shareholders and Investors' Grievance Committee):

The Share Committee approves and monitors transfers, transmission, dematerialisation/re-materialisation of shares, splitting and consolidation of shares issued by the Company. The Committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of Annual Report, Dividend etc.,

Mr.K.S.Raju chairs the Share Committee Meetings. The other Members of the Committee are Mr.D.Ranga Raju and Mr.Sudhakar Kudva.

The quorum of the Committee is 2 Members.

The Committee met sixteen (16) times during the year. The power to process dematerialization requests has also been delegated to the executives of the Share Transfer Agents of the Company to avoid delays. All the share transfer applications received up to 31st March, 2014 have been processed. The details of share transfers are reported to the Board of Directors.

Further, no penalties or strictures were imposed on the Company by any of the Stock Exchanges, SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years. There are 56 Requests for transfer of 42,566 shares, received during the year. The Company during the year from 01st April, 2013 to 31st March, 2014 received 20 complaints from the investors and the same were resolved and there were no balance investor's complaints pending / unresolved as on 31st March, 2014.

The details of attendance of Members of the Share Committee Meeting are as follows:

Name of the Member	Status	No. of Meetings attended (Total held-16)
Mr.K.S.Raju	Chairman	16
Mr.D.Ranga Raju	Member	7
Mr.Sudhakar Kudva	Member	16

2. Audit Committee:

The Audit Committee re-constituted by the Board on 26th February, 2014 comprises of Mr.D.Ranga Raju, Chairman, Mr.K.Raghuraman, Director, Mr.Sudhakar Kudva and Mr.Raghavendar Mateti, Director. The Committee is chaired by Mr.D.Ranga Raju.

The quorum of the Committee is 2 Members.

The terms of reference of the Audit Committee are in accordance with paragraph C & D of Clause 49(ii) of the Listing Agreement entered into with the Stock Exchange and inter-alia includes the following:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing, with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by Management.
 - Significant adjustments made in the Financial Statements arising out of Audit findings.

- v) Compliance with listing and other legal requirements relating to Financial Statements.
- vi) Disclosure of any related party transactions.
- vii) Qualifications in the draft audit report.
- viii) Review regarding the going concern assumption and compliance with accounting standards.
- e) Reviewing with the Management, the quarterly Financial Statements before submission to the Board for approval.
- f) Reviewing with the Management, performance of statutory and Internal Auditors, and adequacy of the Internal Control Systems.
- g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) Discussion with Internal Auditors any significant findings and follow up thereon.
- i) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
- j) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- l) To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- m) Carrying out any other function as is mentioned in the 'Terms of Reference' of the Audit Committee.
- n) To review the Company's financial and risk management policies.

The Statutory Auditors, the Internal Auditors were present as invitees for the Meetings of the Audit Committee.

The Audit Committee of Directors had met four (4) times during the period under review and the Meetings were held on 18th May, 2013, 07th August, 2013, 08th November, 2013 and 08th February, 2014. The details of attendance of Members of the Audit Committee are as follows:

Name of the Member	Status	No. of Meetings attended (Total held 4)
Dr.Nitish K Sengupta ®	Chairman	2
Mr.D.Ranga Raju *	Chairman	4
Mr.K.Raghuraman	Member	4
Mr.Sudhakar Kudva	Member	4
Mr.Raghavender Mateti @	Member	-

® Ceased to be Member effective 03rd November, 2013

* Becomes Chairman with effect from 08th November, 2013

@ Appointed on 26th February, 2014

3. Banking Committee:

The Banking Committee constituted by the Board comprises of Mr.K.S.Raju, Director, Mr.D.Ranga Raju, Director, Mr.N.Vijayaraghavan, Director and Mr.V.Vijay Shankar, Managing Director. The Committee is chaired by Mr.K.S.Raju.

The quorum of the Committee is 2 Members.

The terms of reference of the Banking Committee inter-alia includes the following:

- a) To open new Accounts with any Bank and approve the list of persons authorised to operate such accounts and to make such changes as may be necessary from time to time.
- b) Availment of working capital facilities/credit facilities by the Company and creation of the charge on the assets of the Company thereto, subject that such credit facilities so availed along with the existing credit facilities, shall not exceed the limits as approved by the Board of Directors from time to time.
- c) To authorise persons to sign necessary documents and for affixation of Common Seal and matters incidental thereto, for availing of such credit facilities.

- d) To authorize closure of Accounts of the Company, with various Banks, as may be occasioned from to time.
- During the year the Committee met seven (7) times. The details of attendance of Members of the Banking Committee are as follows:

Name of the Member	Status	No. of Meetings attended (Total held-7)
Mr.K.S.Raju	Chairman	7
Mr.D.Ranga Raju	Member	1
Mr.N.Vijayaraghavan	Member	7
Mr.V.Vijay Shankar	Member	7

4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee re-constituted by the Board on 26th February, 2014 comprises of Mr.D.Ranga Raju, Chairman, Mr.K. Raghuraman, Member and Mr.Raghavaender Mateti, Member. The functioning and terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 and other applicable provisions of Companies Act, 2013, Rules made thereunder and under the Listing Agreement with the Stock Exchanges and it determines the Company's policy on all elements of the remuneration packages of the Directors including the Executive Directors. The Remuneration of the Directors is approved by the Nomination and Remuneration Committee and the Board of Directors as per the Remuneration Policy of the Company.

The quorum of the Committee is 2 Members.

The Remuneration Committee had met one (1) time during the period under review and the meeting was held on 18th May, 2013. The details of attendance of Member of the Remuneration Committee are as follows:

Name of the Member	Status	No. of Meetings attended (Total held-1)
Dr.Nitish K Sengupta ®	Chairman	1
Mr.D.Ranga Raju	*Chairman	1
Mr.K.Raghuraman	Member	1
Mr.Raghavender Mateti @	Member	-

® Ceased to be Member effective 03rd November, 2013

* Becomes Chairman with effect from 08th November, 2013

@ Appointed on 26th February, 2014

F. REMUNERATION TO DIRECTORS:

The Non-executive Directors of the Company are paid Sitting Fees for attending the Meetings of the Board of Directors / Committees of Board of Directors. The details of Sitting Fees paid to the Non-executive Directors of the Company during the year from 1st April, 2013 to 31st March, 2014 is given below:

(Amount in ₹)

Name of the Director	Sitting Fees paid for attending Meetings of the Board of Directors / Committees of Directors
Dr.Nitish K Sengupta ®	50,000
Mr.K.S.Raju	40,000
Mr.D.Ranga Raju	90,000
Mrs.K.Lakshmi Raju	20,000
Mr.Sudhakar Kudva	1,00,000
Mr.K.Raghuraman	90,000
Mr.N.Vijayaraghavan	70,000
Mr.Raghavender Mateti*	-
Total (₹)	4,60,000

® Ceased to be Member effective 03rd November, 2013

* Appointed on 26th February, 2014 as an Additional Director

The Details of Remuneration paid for the financial year ended 31st March, 2014 to Mr.V.Vijay Shankar, Managing Director is as under:

Component	Amount in ₹
Salary	30,00,000
Perquisites and Other Benefits	33,00,718
Contribution to Provident Fund	3,60,000
Total * (₹)	66,60,718
*Including the Performance Pay, paid during financial year 2013-14	

G. GENERAL BODY Meetings:

- a) The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Place
2010-11	12-08-2011	10.00 A.M	KLN Prasad Auditorium of Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad-500004.
2011-12	26-09-2012	10.00 A.M	KLN Prasad Auditorium of Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad-500004.
2012-13	07-08-2013	10.00 A.M	Surana Udyog Auditorium of Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad-500004.

- b) During the year ended 31st March, 2014, one Extraordinary General Meeting was held seeking Members approval for Bonus Issue to the Public Shareholders only excluding promoters of the Company for complying the Clause 40A of the Listing Agreement. The details of the said Extraordinary General Meeting are as under:

Financial Year	Date	Time	Place
2013-14	22-05-2013 Wednesday	10.00 A.M	Surana Udyog Auditorium of Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad-500004.

- c) All the Resolutions were passed only by show of hands at the General Meetings held on 12th August, 2011, 26th September, 2012; 22nd May, 2013 and 07th August, 2013.
- d) (i) During the year ended 31st March, 2014, the Company has obtained Members approval for sale / dispose-off Windmill undertaking of the Company i.e., Wind-Turbine Generator (WTG) based power plants - three in number each of 2.1 MW (Mega Watts) totaling to 6.3 MW capacities located at Amuthapuram and Vellapaneri, Dist. Tirunelveli, Tamilnadu to a third party on 30th August, 2013 by way of passing an Ordinary Resolution through postal ballot.
- (ii) During the year ended 31st March, 2014, the Company has obtained Members approval for creation of Charge/Mortgage the Assets of the Company under Section 293(1)(a) of the Companies Act, 1956 by way of passing an Ordinary Resolution through postal ballot.

H. DISCLOSURES:

- a) Disclosures on materially significant Related Party Transactions i.e., transactions of the Company of material nature, with the Promoters, the Directors, Key Managerial Personnel or the Management, their Subsidiaries or Relatives etc., that may have potential conflict with the interests of the Company at large.

Details of Related Party Transactions have been disclosed under the concerned note of Schedule in the Financial Statements. There are no transactions which may have potential conflict with the interests of the Company at large.

- b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by a Stock Exchange or SEBI or any Statutory Authority, on any matter related to Capital Markets during the last Three years.

There has been no instance of non-compliance.

- c) Shareholding of Non-Executive Directors in the Company: Nil

I. FIXED DEPOSITS:

During the period under review, the Company has not accepted any Fixed Deposits in terms of Section 58A of the Companies Act, 1956.

J. UNCLAIMED DIVIDEND:

In accordance with the provisions of Section 205-C of the Companies Act, 1956, the amount of Dividend remaining Unpaid/Un-claimed for a period of seven years are required to be transferred by the Company to Investors Education and Protection Fund established by the Central Government. Members are requested to correspond with the Registrar and Share Transfer Agent M/s XL Softech Systems Limited, Hyderabad for encashing the unclaimed dividend if any, standing to their credit. No claim shall be against the said fund or against the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims after the period of said seven years.

K. PARTICULARS OF INFORMATION REGARDING NAGARJUNA AGRICHEM LIMITED - UNCLAIMED EQUITY SHARES SUSPENSE ACCOUNT POSITION:

As per the amendment to Clause 5A of the Equity Listing Agreement in December 2010 by Securities and Exchange Board of India, all physical shares remaining unclaimed by the shareholders, were required to be demated by the Company and kept in the "Unclaimed Suspense Account" to be opened and operated by the Company/ Committee for this purpose. As per the requirements of the amended clause, the Company had sent three reminders to the respective shareholders. The shares in respect of which no valid response has been received, the Company have opened a separate demat account with Stock Holding Corporation India Ltd, Hyderabad in the name and style of "Nagarjuna Agrichem Limited Unclaimed Suspense Account" in the month of July, 2013.

The Board has delegated the power to Mr.V.Vijay Shankar, Managing Director and Mr.Satish Kumar Subudhi, Company Secretary & Head-Legal of the Company to approve such share transfers of the equity shares of the investors from the Unclaimed Suspense Account to the Members demat account upon necessary requests from the original investor(s) and after duly confirmed by the RTA of the Company. A statement of the shares remaining outstanding in the Unclaimed Suspense Account as on 31st March, 2014 is given below:

Sl. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	1102	17,18,372
(ii)	Number of Shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	8	13,000
(iii)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	1094	17,05,372

The Shareholders are entitled to claim these shares after complying with laid down procedures. As and when the shareholder approaches the Company, after proper verification, the Company shall either credit the shares to the Shareholder's Demat account or deliver the physical certificates after re-materializing the same, depending on the option of the shareholder. All the corporate benefits in terms of securities accruing on these shares like bonus shares, subdivision etc. will also be credited to the Unclaimed Suspense Account and the voting rights on these shares shall remain frozen until the claim is made by the rightful owner.

L. MEANS OF COMMUNICATION:

The quarterly / half yearly un-audited and annual audited financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board of Directors. The results were published in Business Standard, Financial Express in English and Andhra Prabha in Telugu (regional language). The results are posted on the Company's Website and are sent to the Bombay Stock Exchange wherein the same is posted in their website www.bseindia.com.

M. COMPLIANCE OF INSIDER TRADING NORMS:

The Company, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 has formulated a well defined Insider Trading Policy which prohibits its Management, Employees and other Associates to deal in the securities of the Company based on any unpublished price sensitive information.

The Insider Trading Policy lays down the guidelines which advise all the persons considered as Insiders on the procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of the consequences of violation.

N. INFORMATION REQUIRED UNDER CLAUSE 49 IV (G) OF THE LISTING AGREEMENT WITH RESPECT TO THE DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT / DIRECTORS SOUGHT TO BE APPOINTED IS AS UNDER :

At the ensuing Annual General Meeting, Mr.Sudhakar Kudva, Director of the Company, retires by rotation and being eligible, seek re-appointment. In compliance with provision of Section 149 read with Schedule IV of the Company Act, 2013 the appointment of Mr.D.Ranga Raju, Mr.K.Raghuraman, Mr.N.Vijayaraghavan and Mr.Raghavender Mateti as Independent Directors, for a term of five (5) years, is being place before the Shareholders for approval.

As the term of Mr.V.Vijay Shankar, Managing Director, has expired on 10th May, 2014, he is proposed to be re-appointed as Managing Director for further period of 3 (three) years with effect from 11th May, 2014.

Brief Profiles of the above Directors along with particulars of their Directorships and in other Companies are as under:

- 1) **Mr.Sudhakar Kudva**, aged 63 years is a Fellow Member of the Institute of Chartered Accountants of India. He has over 38 years of experience in various senior positions in India and abroad. He has worked with Nagarjuna Group, Hyderabad from 1981 to 1992, the Indian Seamless Group, Pune from 1992 to 2003 and from 2003 to 2007 with Arcelor Mittal, Algeria. The Industry spectrum of his experience includes International Trading and Contracting, Financial Services, Manufacture of Alloy and Carbon Steel, Seamless Tubes, Mining, Port Operations and Logistics. His areas of experience include Accounting, Financial Management, Treasury Management and General Management.

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 Mr.Sudhakar Kudva, Non-Executive Director of the Company will be retiring by rotation at the ensuing Annual General Meeting and eligible for reappointment.

Pursuant to Clause 49(IV)(E)(v) of the Listing Agreement, Mr.Sudhakar Kudva disclosed his shareholding in the Company (both owned or held by / for other persons on a beneficial basis) as Nil as on 31st March, 2014.

Names of other Public Companies in which Mr.Sudhakar Kudva, is a Director:

Sl. No.	Name of the Companies
1.	Bhagiradha Chemicals and Industries Limited
2.	Nagarjuna Oil Corporation Limited

- 2) **Mr.Raghavender Mateti**, aged 62 years is a Bachelor of Technology - Agricultural Engineering from Indian Institute of Technology (IIT), Kharagpur and is also studied Diploma Programme for Management in Agriculture from the Indian Institute of Management (IIM), Ahmedabad. He was born on 29th August, 1951.

He has vast experience in various chemical industries and extensive experience in the field of Agrochemical Marketing both in domestic and overseas for over three decades through his association with Gharda Chemicals Limited, Cheminova India Limited, Lupin Agrochemicals, Shaw Wallace & Company Ltd and Rallies India Limited. He has served as Vice-Chairman of Pesticides Association of India during 1995-2000. He has delivered various speeches on industry matters at several National and International Conferences.

Pursuant to Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 Mr.Raghavender Mateti is proposed to be appointed as an Independent Director of the Company for a period of five (5) years with effect from 9th August, 2014, not liable to retire by rotations.

Pursuant to Clause 49(IV)(E)(v) of the Listing Agreement, Mr.Raghavender Mateti, Independent Director of the Company disclosed his shareholding in the Company (both owned or held by / for other persons on a beneficial basis) as Nil as on 31st March, 2014.

Name of Indian Companies in which Mr.Raghavender Mateti is a Director: Nil.

- 3) **Mr.D.Ranga Raju**, aged 81 years is a Graduate in Commerce and has served the Company as a Board Member since 30th April, 1993. He has over 44 years of experience in Manufacturing and Marketing of Agro-Chemicals. His contribution and continued guidance have been invaluable in enabling the Company to meet its strategic goals.

Pursuant to Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 Mr.D.Ranga Raju is proposed to be appointed as an Independent Director of the Company for a period of five (5) years with effect from 9th August, 2014, not liable to retire by rotations.

Pursuant Clause 49(IV)(E)(v) of the Listing Agreement, Mr.D.Ranga Raju, Independent Director of the Company disclosed his shareholding in the Company (both owned or held by / for other persons on a beneficial basis) as Nil as on 31st March, 2014.

Disclosure in terms of Clause 49(IV)(E)(v) of the Listing Agreement with Bombay Stock Exchange:

Sl. No.	Name of the Companies
1.	Bhagiradha Chemicals and Industries Limited
2.	Nagarjuna Oil Refinery Limited
3.	Vijaynagar Bio-Tech Limited

- 4) **Mr.K.Raghuraman**, aged 66 years is a former Executive Director of Punjab National Bank. He is a Commerce Graduate and a Qualified Chartered Accountant and also Senior Associate Member. He has over 37 years of Banking experience. He has participated in various International Conferences / Seminars abroad in the area of Banking. He is also a Director and Member of Audit Committee of Andhra Bank and M/s Oriental Carbon

& Chemicals Limited. He has served for many years in various capacities at different positions inclusive of information Technology-Risk Management Initiative of BASEL-II, Treasury and Forex Operation and General Administration. He joined as Director of Nagarjuna Agrichem Limited effective from 30th July, 2009.

Pursuant to Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 Mr.K.Raghuraman is proposed to be appointed as an Independent Director of the Company for a period of five (5) years with effect from 9th August, 2014, not liable to retire by rotations.

Pursuant Clause 49(IV)(E)(v) of the Listing Agreement, Mr.K.Raghuraman, Independent Director of the Company disclosed his shareholding in the Company (both owned or held by / for other persons on a beneficial basis) as Nil as on 31st March, 2014.

Names of other Public Companies in which Mr.K.Raghuraman is a Director.

Sl. No.	Name of the Companies
1.	Birla Ericsson Opticals Limited
2.	Canbank Factors Limited
3.	Centbank Financial Services Limited
4.	LADDERUP Finance Limited
5.	NELCO Limited
6.	Oriental Carbon & Chemical Limited
7.	Rama Phosphates Limited

- 5) **Mr.N.Vijayaraghavan**, aged 64 years, is a B.Tech. (Metallurgy) from IIT Chennai and holds a Post Graduate Diploma in Business Management from IIM, Ahmadabad. He has over 39 years of experience in various senior positions. He has worked in Larsen & Toubro Limited, ITW Signode Limited, Nagarjuna Fertilizer and Chemicals Limited and Sterlite Industries Limited. The industry Spectrum includes various manufacturing fields. His experience includes Fertilizers Manufacturing, Copper and Marketing Management and General Management.

Pursuant to Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 Mr.N.Vijayaraghavan is proposed to be appointed as an Independent Director of the Company for a period of five (5) years with effect from 30th October, 2014, not liable to retire by rotations.

Pursuant Clause 49(IV)(E)(v) of the Listing Agreement, Mr.N.Vijayaraghavan, Independent Director of the Company disclosed his shareholding in the Company (both owned or held by / for other persons on a beneficial basis) as Nil as on 31st March, 2014.

Names of other Public Companies in which Mr.Vijayaraghavan is a Director: Nil.

- 6) **Mr.Vijay Shankar** is a Fellow Member of the Institute of Chartered Accountant of India and has extensive experience in various Chemical Industries and in Fertilizers & Agri and Automobile Sectors over more than three decades through his Association in Zuari-Chambal, Nagarjuna and Mahindra & Mahindra Groups. His last assignment was with Zuari Group.

Pursuant to Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, Mr.V.Vijay Shankar is proposed to be re-appointed as Managing Director of the Company for further period of three years with effect from 11th May, 2014.

Brief details about him are furnished herewith:

Date of birth	17 th November, 1956
Relationship with other Directors of the Company.	None
Current shareholding in Nagarjuna Agrichem Limited	17,533 Equity shares of ₹1/-each (held together with spouse). However, he has No shareholding at the time of joining.
Directorship held in other Companies	LR Research Laboratories Private Limited (Date of appointment: 17-08-2011)
Membership /Chairmanship of Committee in Indian Public Limited Companies	Nil

O. NAME AND DESIGNATION OF THE CHIEF COMPLIANCE OFFICER:

Mr.Satish Kumar Subudhi, Company Secretary & Head-Legal and Compliance Officer of the Company.

P. GENERAL INFORMATION:

1.	Date, Time and Venue of Annual General Meeting.	:	Saturday, the 09 th day of August 2014 at 10.00 a.m. Surana Udyog Auditorium, M/s. Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, P.B. No.14, Red Hills, Hyderabad – 500004.
2.	Financial Calendar (Tentative)		
	(a) Annual General Meeting 2014	:	09 th Day of August 2014
	(b) Results for the quarter ending June 30, 2014	:	09 th Day of August 2014
	(c) Results for the quarter ending September, 2014	:	1 st week of November, 2014
	(d) Results for the quarter ending December, 2014	:	1 st week of February, 2015
	(e) Results for the quarter ending March, 2015	:	1 st week of May, 2015
3.	Date of Book closure (both days inclusive)		04 th August, 2014 to 09 th August, 2014
4.	Listing on Stock Exchange	:	The Bombay Stock Exchange, P.J.Towers, Dalal Street, Mumbai-400001
5.	Stock Code	:	BSE : Equity - 524709
6.	Registered Office	:	The Registered Office of the Company is located at : Plot No. 12-A,"C"-Block, Lakshmi Towers, No.8-2-248/1/7/78, Nagarjuna Hills, Panjagutta, Hyderabad – 500 082. INDIA. Telephone No. : 33605123/24/25/26/27 Fax No.: 040-23350234 Email id: investors@nagarjunaagrichem.com Website: www.nagarjunaagrichem.com
7.	Communication regarding registration of share transfers and other related correspondence	:	XL Softech Systems Ltd., Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500034 Andhra Pradesh, India. Tel. (040) 23545913/14/15 Fax (040) 23553214 Email: xlfiled@gmail.com <u>Note:</u> Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.
8.	Share transfer system	:	Shares lodged for physical transfer at the Registrar's address normally processed within a period of 15 days from the date of lodging, if the documents are clear in all respects. The shares duly transferred would be dispatched to the concerned shareholders within a week from the date of approval of transfers by the Share Transfer Committee.
9.	Redressal of Grievances	:	There are no investors complaints pending unresolved as on 31 st March, 2014. Complaints regarding transfer of shares, dematerialisation / re-dematerialisation of shares, non-receipt of Annual Reports / Dividend Warrants etc., are being acted upon by the Company immediately on receipt. Shareholders having grievances are requested to write to the Company / RTA.

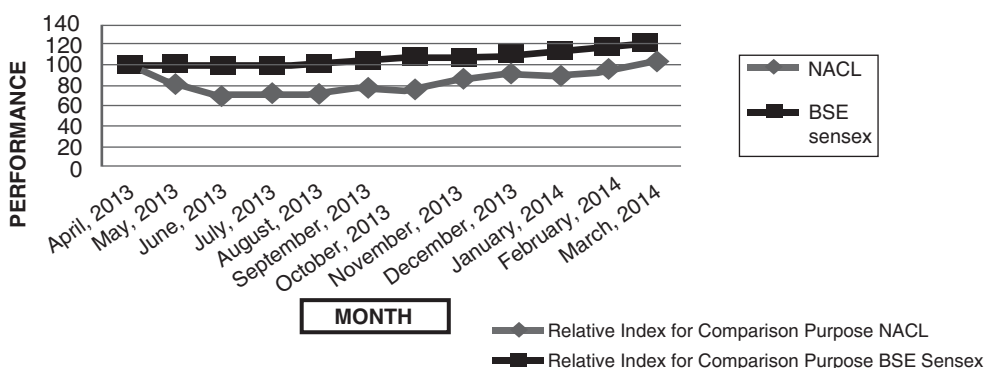
10. Dividend Patterns:	The dividend pattern of the Company is as under:	
Year	Dividend (%)	
2001 - 2002	8	
2002 - 2003	10	
2003 - 2004	12	
2004 - 2005 - Interim	15	
2004 - 2005 - Final	7	
2005 - 2006	20	
2006 - 2007 - Interim	20	
2006 - 2007 - Final	20	
2007 - 2008 - Interim -1	10	
2007 - 2008 - Interim -2	10	
2007 - 2008 - Interim -3	10	
2007 - 2008 - Final	15	
2008 - 2009 - Interim -1	10	
2008 - 2009 - Interim -2	10	
2008 - 2009 - Final	30	
2009 - 2010 - Interim -1	20	
2009 - 2010 - Final	30	
2010 - 2011 - Interim	15	
2011 - 2012 - Final	15	

11. Market Price Data: High-Low Quotations on The Stock Exchange, Mumbai during the year from 01st April, 2013 to 31st March, 2014 is as follows:		
Month	Bombay Stock Exchange	
	High Price (₹)	Low Price (₹)
April, 2013	5.50	3.65
May, 2013	5.15	3.70
June, 2013	4.22	3.04
July, 2013	4.25	3.06
August, 2013	4.00	3.30
September, 2013	4.50	3.40
October, 2013	4.30	3.65
November, 2013	4.78	3.24
December, 2013	4.84	3.63
January, 2014	5.44	4.15
February, 2014	4.88	4.09
March, 2014	6.09	4.43

12. Performance in comparison to BSE Sensex:

Share Price movement for the period April, 2013 to March, 2014 of the Company and BSE Sensex is given below:

Month	NACL Close Price on BSE	Close Price BSE Sensex	Relative Index for Comparison Purpose	
			NACL	BSE Sensex
April, 2013	4.94	19,504.18	100	100
May, 2013	3.95	19,760.30	79.96	101.31
June, 2013	3.44	19,395.81	69.64	99.44
July, 2013	3.64	19,345.70	73.68	99.19
August, 2013	3.55	18,619.72	71.86	95.47
September, 2013	3.87	19,379.77	78.34	99.36
October, 2013	3.72	21,164.52	75.30	108.51
November, 2013	4.20	20,791.93	85.02	106.60
December, 2013	4.59	21,170.68	92.91	108.54
January, 2014	4.39	20,513.85	88.87	105.18
February, 2014	4.57	21,120.12	92.51	108.29
March, 2014	5.00	22,386.27	101.21	114.78

**13. Share Transfer Agent:**

The Company's Registrar and Share (RTA) Transfer Agent is M/s. XL Softech Systems Private Limited, which is registered with SEBI and is located at Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500034.

14. Distribution of Shareholding:

The Distribution of shareholding as on 31st March, 2014 was as follows:

Shareholding range	Shareholders		Share Amount	
	Number	Percentage	In ₹	Percentage
001 - 5000	1654	17.36	270649	00.17
5001 - 10000	866	09.09	611003	00.39
10001 - 20000	4718	49.51	5873769	03.77
20001 - 30000	616	06.46	1514843	00.97
30001 - 40000	352	03.69	1227705	00.79
40001 - 50000	193	02.03	916285	00.59
50001 - 100000	546	05.73	3720965	02.39
100001 & above	584	06.13	141776289	90.93
Total	9529	100.00	155911508	100.00

15. Distribution of Shareholding as on 31st March, 2014:			
Category		No. of shares held	Percentage of Shareholding
A	Promoter's Holding	116641860	74.81
B	Non-Promoters Holding		
	I Institutional Investors		
	(a) Mutual Funds and UTI	-	-
	(b) Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions Non-Govt. Institutions)	-	-
	II Others (Foreign Institutional Investors)		
	(a) Private Corporate Bodies	7438796	04.77
	(b) Indian Public	31220797	20.03
	(c) NRIs/OCBs	534986	00.34
	(d) Others (clearing Members)	75069	00.05
	GRAND TOTAL	155911508	100.00

16. Shares held by Non-Executive Directors:		
The shares held by Non-Executive Directors in the Company are		
S.No	Name of the Director	No. of Shares
1.	Mr.K.L.R.Products Limited	113623500
2.	Mrs.K.Lakshmi Raju	3018360

17. Dematerialization of Shares and Liquidity:		
Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. Dematerialization of shares is done through M/s. XL Softech Systems Limited, Hyderabad and on an average the dematerialization process is completed within a period of 21 days from receipt of a valid demat request along with all documents.		
The break-up of physical and dematerialised shares as on 31 st March, 2014:		
Mode	No. of Shares held	Shareholding in percentage
Demat	150173323	96.32
Physical	5738185	03.68
Total	155911508	100.00
The shares of the Company are fully covered under the category of Compulsory Delivery in dematerialized mode by all categories of investors. The Company has signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The Company's ISIN No. for dematerialization for both NSDL and CDSL is INE295D01020.		

18. Corporate Identity Number (CIN):	The Corporate Identity Number ("CIN") of the Company, as allotted by Ministry of Company Affairs is L24219AP1986PLC016607.
19. Managing Director and Chief Financial Officer (CFO) certification:	The Managing Director and also the Chief Financial Officer of the Company have certified to the Board, in the manner required under the Corporate Governance Code concerning the Annual Financial Statement.
20.	The Company has not issued any GDRS/ADRS and there are no warrants or any convertible instruments.
21. Location of Plants:	
	i. Plot No. 177, Arinama Akkivalasa, Etcherla Mandal, Srikakulam District – 532 403, A.P.
	ii. Nandigaon Village, Kothur Mandal, Mahaboobnagar District - 509216
	iii. Ethakota, Ravulapalem P.O, East Godavari District – 533 238, A.P.
22.	R&D Center: Nandigaon Village, Kothur Mandal, Mahaboobnagar District - 509 216

For and on behalf of the Board

Place : Hyderabad
Date : 30th May, 2014

K.S. Raju
Director

V.Vijay Shankar
Managing Director

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGERIAL PERSONNEL WITH THE CODE OF CONDUCT AND ETHICS

The Board of Directors of the Company approved the Code of Conduct for the Directors and the Senior Management Personnel. All the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2014.

Place : Hyderabad
Date : 30th May, 2014

V.Vijay Shankar
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Nagarjuna Agrichem Limited

We have examined the compliance of conditions of Corporate Governance by Nagarjuna Agrichem Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, and based on our reliance upon the representations made by the Directors and Management that there were no transactions of material nature with the management or by relatives that may have potential conflict with the interest of the Company at large.

The Share Transfer Agent of the Company has certified the number of complaints received from the investors and the number of complaints resolved during the financial year and that there are no complaints pending as at the year end as stated under serial No. E-1 of the Company's Report on Corporate Governance.

We certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M.BHASKARA RAO & CO;**
Chartered Accountants
Firm Registration Number. 000459 S

Place : Hyderabad
Date : 30th May, 2014

(V.RaghuNandan)
Partner
Membership No. 26255

INDEPENDENT AUDITORS' REPORT

To
The Members
Nagarjuna Agrichem Limited

Report on Financial Statements

We have audited the accompanying Financial Statements of Nagarjuna Agrichem Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub Section (3C) of Section 211 of Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to following notes to the financial statements:

- Note No.38 regarding claim lodged with insurers based on the provisional assessment of the loss made by the management of the fire accident in Block no. 5 of Srikakulam factory during the financial year 2012-2013 in respect of totally / partially damaged assets, inventory and other risks and treatment of the same as receivable pending final assessment and acceptance by the insurers, on the date of the Balance Sheet dealt with by this report.
- Necessary adjustments in the accounts and the final impact, if any, will be accounted on completion of final assessment and its acceptance by the insurers.

Our opinion is not qualified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the said Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subSection (3C) of Section 211 of the Companies Act, 1956;
- (e) on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **M.BHASKARA RAO & CO;**
Chartered Accountants
Firm Registration Number. 000459 S

Place : Hyderabad
Date : 30th May, 2014

(V.Raghunandan)
Partner
Membership No. 26255

ANNEXURE TO THE AUDITORS' REPORT

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements"
of our Report of even date**

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management during the year based on a phased programme of verifying all the assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on physical verification.
- c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- ii) a) According to the information furnished to us, physical verification of inventories has been conducted during the year by the management. In our opinion, the frequency of the verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) In our opinion, the Company is maintaining proper records of inventories and based on the information and explanations given to us, discrepancies noticed on physical verification were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii) a) According to the information and explanations given to us, the Company has granted unsecured loan to one party covered in the Register maintained under Section 301 of the Companies Act 1956. The maximum balance of the said loan during the year was ₹194.63 Lakhs and the year end balance was ₹194.63 Lakhs.
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
- c) During the financial year under report, a part of the principal amount of ₹83.00 Lakhs falling due together with interest upto 31st March, 2013 of ₹60.61 Lakhs has been converted into equity shares. Further, interest amounting to ₹27.63 Lakhs is outstanding as at the date of the Balance Sheet, including an overdue amount of ₹9.36 Lakhs.
- d) In our opinion and according to the information and explanations given to us, reasonable steps are being taken by the Company for recovery of the interest.
- e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub clauses (f) and (g) of clause (iii) of this Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- v) a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements to be entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from public during the year.
- vii) During the year under report, the Internal Audit of the Company has been conducted by an external agency appointed by the management. In our opinion the scope and coverage of internal audit is commensurate with the size of the Company and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records prescribed under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix) a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of

statutory dues as at 31st March, 2014 which are outstanding for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess which have not been deposited on account of any dispute except as stated below:

Name of the Statute	Nature of the Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Irregular availment of Cenvat Credit on Service Tax	3.13	2012-13	Commissioner (Appeals), Visakhapatnam
Excise Duty	Interest on differential duty paid on supplementary invoices after finalization of cost data of the goods cleared to the sister concern- April, 04 to Mar,05 & April, 05 to Oct,05)	8.13	2004-05 & 2005-06	CESTAT, Bangalore
	Irregular availment of cenvat credit of 4% SAD against DEPB and Target plus schemes - July, 06 to March, 07	12.14	2006-07	Additional Commissioner (Appeals), Visakhapatnam

- x) The Company has no accumulated losses as at 31st March, 2014. The Company has incurred cash losses in the financial year under report but not in the immediately preceding financial year.
- xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, banks.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of this Order are not applicable.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of this Order are not applicable.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to the information and explanations furnished to us, term loans were applied for the purpose for which the loans were obtained.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long term investment.
- xviii) During the year under report the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) In accordance with the information and explanations given to us and, on our examination of books and records, no fraud on or by the Company has been noticed or reported during the year.

For **M.BHASKARA RAO & CO;**
Chartered Accountants
Firm Registration Number. 000459 S

Place : Hyderabad
Date : 30th May, 2014

(**V.Raghu**nandan)
Partner
Membership No. 26255

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	3	1,559.12	1,489.82
Reserves and Surplus	4	15,789.44	17,980.31
2 Non-Current Liabilities		17,348.56	19,470.13
Long-Term Borrowings	5	3,822.43	3,306.90
Deferred Tax Liabilities (Net)	6	1,934.47	2,151.31
Other Long Term Liabilities	7	1,150.57	1,012.27
Long-Term Provisions	8	141.17	104.42
3 Current Liabilities		7,048.64	6,574.90
Short-Term Borrowings	9	15,569.07	12,144.66
Trade Payables	10	12,184.85	12,654.24
Other Current Liabilities	11	5,700.70	4,732.70
Short-Term Provisions	12	4,137.65	4,422.40
		37,592.27	33,954.00
TOTAL		61,989.47	59,999.03
II. ASSETS			
1 Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	13	18,018.86	17,050.90
(ii) Intangible Assets	14	217.37	163.94
(iii) Capital Work-in-Progress	15	1,643.59	1,091.85
(iv) Intangible Assets Under Development		154.53	-
Non-Current Investments	16	829.88	356.05
Long-Term Loans and Advances	17	1,230.82	1,356.35
		22,095.05	20,019.09
2 Current Assets			
Inventories	18	17,630.50	17,261.45
Trade Receivables	19	16,006.63	16,411.50
Cash and Cash Equivalents	20	1,694.64	2,241.21
Short-Term Loans and Advances	21	2,546.87	2,108.91
Other Current Assets	22	2,015.78	1,956.87
		39,894.42	39,979.94
TOTAL		61,989.47	59,999.03
Significant Accounting Policies and Notes on Financial Statements	1 to 46		

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

for and on behalf of the Board

V.Raghunandan
Partner

K.S.Raju
Director

V.Vijay Shankar
Managing Director

Place : Hyderabad
Dated : 30th May, 2014

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. Revenue from Operations			
Sales	23	74,060.52	68,764.08
Less: Excise Duty & VAT		10,476.15	8,706.36
		63,584.37	60,057.72
II. Other Income	24	1,933.50	1,819.86
III. Total Revenue (I + II)		65,517.87	61,877.58
IV. Expenses:			
Cost of Materials Consumed	25	38,778.49	38,657.25
Purchase of Stock in Trade		5,808.91	5,43 8.61
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	1,417.82	238.10
Employee Benefits Expenses	27	4,340.48	3,971.15
Finance Costs	28	2,799.69	3,070.82
Depreciation and Amortization Expenses	29	2,188.23	2,528.52
Other Expenses	30	12,192.10	9,966.42
Total Expenses		67,525.72	63,870.87
V. Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)		(2,007.85)	(1,993.29)
VI. Exceptional Items	40	330.56	-
VII. Profit/(Loss) Before Extraordinary Items and Tax (V - VI)		(2,338.41)	(1,993.29)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) Before Tax (VII- VIII)		(2,338.41)	(1,993.29)
X. Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		(216.84)	(726.69)
XI. Profit /(Loss) for the Period (IX + X)		(2,121.57)	(1,266.60)
XII. Earnings per Equity Share:			
(1) Basic		(1.36)	(0.81)
(2) Diluted		(1.36)	(0.81)

Significant Accounting Policies and Notes on Financial Statements

1 to 46

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

for and on behalf of the Board

V.Raghunandan
Partner

K.S.Raju
Director

V.Vijay Shankar
Managing Director

Place : Hyderabad
Dated : 30th May, 2014

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2014		For the Year ended 31 st March 2013	
	Amount	Amount	Amount	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	(2,338.41)	(2,338.41)	(1,993.29)	(1,993.29)
Extraordinary Items	-	-	-	-
Adjustments for:				
Add:				
Depreciation & Amortisation Expenses	2,188.23		2,528.52	
Foreign Exchange Fluctuations-Unrealised Loss	233.90		338.77	
Loss on Sale/Discarded of Fixed Assets	348.34		3.42	
Interest	2,799.69		3,136.36	
Less:		5,570.16		6,007.07
Profit on Sale of Assets	0.66		0.74	
		0.66		0.74
Operating Profit Before Working Capital Changes		3,231.09		4,013.04
Adjustments for:				
Less:				
Increase in Trade Receivables	-		-	
Increase in Inventories	369.05		841.43	
Increase in Other Current Assets	58.91		1,912.19	
Increase in Short Term Loans & Advances	437.96		61.84	
Decrease in Trade Payable	547.89		-	
Decrease in Other Current Liabilities & Short Term Provisions	-		166.07	
Decrease in Long Term Liabilities & Provisions	-		-	
		1,413.81		2,981.53
		1,817.28		1,031.51
Add:				
Increase in Other Current Liabilities & Short Term Provisions	635.38		142.73	
Decrease in Long Term Loans & Advances	125.53		-	
Decrease in Trade Receivables	382.29		2,815.35	
Increase in Long term Liabilities & Provisions	175.06		38.71	
Increase in Trade Payable	-		3,244.83	
Cash Generated from Operations		1,318.26		6,241.62
		3,135.54		7,273.13
Less:				
Taxes Paid	-	-	(363.99)	(363.99)
Cash Flow Before Extraordinary Items		3,135.54		7,637.12
NET CASH FROM OPERATING ACTIVITIES		3,135.54		7,637.12

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2014		For the Year ended 31 st March 2013	
	Amount	Amount	Amount	Amount
CASH FLOWS FROM INVESTING ACTIVITIES				
B. Inflow:				
Sale/Retirement of Fixed Assets	2,707.15	2,707.15	1,425.53	1,425.53
Outflow:				
Investments	473.84		-	
Purchase of Fixed Assets	6,264.44		2,005.93	
Capital Work-in-Progress	706.27		(99.69)	
		7,444.55		1,906.24
NET CASH USED IN INVESTING ACTIVITIES		(4,737.40)		(480.71)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term / Short Term Borrowings:				
Inflow:				
Long Term Borrowings	605.01		-	
Short Term Borrowings	3,291.57		-	
		3,896.58		
Outflow:				
Long Term Borrowings	-		1,209.15	
Short Term Borrowings	-		2,998.53	
Interest Paid	2,760.72		3,145.13	
Deferred Payment Liabilities	80.57		69.78	
Corporate Dividend Tax	-		-	
Equity Dividend	-		-	
		2,841.29		7,422.59
NET CASH USED IN FINANCING ACTIVITIES		1,055.29		(7,422.59)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLENTS (A+B+C)		(546.57)		(266.18)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2,241.21		2,507.39
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,694.64		2,241.21

As per our report of even date attached
For **M.BHASKARA RAO & CO.**,
Chartered Accountants

for and on behalf of the Board

V.Raghunandan
Partner

K.S.Raju
Director

V.Vijay Shankar
Managing Director

Place : Hyderabad
Dated : 30th May, 2014

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal

Notes forming part of the Financial Statements for the year ended 31st March, 2014

1. Corporate Information

NAGARJUNA AGRICHEM LTD., is a Public Limited Company listed with Bombay Stock Exchange. It is part of the Nagarjuna group based at Hyderabad. The Company is in the business of Crop Protection and manufactures both Technicals (Active Ingredient -AI) and Formulations. It manufactures all kinds of Pesticides, Insecticides, Acaricides, Herbicides, Fungicides and other Plant Growth Chemicals. The Company's Formulation Business is mainly in the Indian Market and sells through its large retail dealer network of nearly 11,000 dealers, spread across India. The Company has an impressive range of Branded Formulations. It also exports Technicals and Formulations and does toll Manufacture for various Multinational Companies.

2. Significant Accounting Policies

A. Accounting Convention:

The financial statements are prepared on the basis of going concern, under the historical cost convention, in accordance with the generally accepted principles and provisions of the Companies Act, 1956, with revenues recognised and expenses accounted on accrual basis unless otherwise stated.

B. Use of Estimates:

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, the amounts of revenue and expenses during the reported period. Actual results could differ from those of estimates. Any revision to such estimates is recognized in the period the same is determined.

C. Fixed Assets:

- a) Fixed assets are stated at historical cost (Net of Modvat / Cenvat Credit availed), less accumulated depreciation and impairment loss if any.
- b) Capital Work-in-progress is stated at amount expended upto the date of the Balance Sheet.
- c) Expenditure during construction period other than those directly related to an asset is included under "Expenditure pending allocation" to be allocated to various fixed assets at the time of commencement of commercial production, as determined in accordance with the generally accepted accounting policies.
- d) Expenditure incurred on Research & Development projects are considered as Intangible Assets on completion of the project and put into commercial use.

D. Depreciation:

Depreciation is provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 (as amended from time to time). Depreciation on impaired assets is provided by a systematic allocation of the depreciable amount over the remaining useful life of such assets.

E. Intangibles:

- a) Goodwill is amortised over a period of Ten years.
- b) SAP Upgrade License/ Implementation fees is amortised over a period of twenty four months.
- c) Intangible assets on account of R&D Projects amortised over a period of thirty six months.

F. Long Term Investments:

Investments are stated at cost less any diminution in their value, which is other than temporary.

G. Inventory:

The method of valuation of various categories of Inventories is as follows:-

- a) Raw materials - at lower of cost and net realizable value.
- b) Work-in-process - at cost.
- c) Finished goods - at lower of cost and net realisable value. Cost includes cost of direct material, labour, factory overheads inclusive of excise duty.
- d) Stores & Spares, Packing material - at lower of cost and net realizable value.
- e) Traded goods - at lower of cost and net realizable value.

Cost is ascertained on the "Weighted Average" basis.

H. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing at the dates of the transaction. Monetary items are translated at the year end foreign exchange rates. Resultant exchange differences arising on payment or conversion of liabilities / assets are recognized as income or expense in the year in which they arise.

I. Capital Subsidy:

Capital investment subsidy not specifically related to any fixed asset is credited to a specific reserve upon receipt and retained till the requisite conditions are fulfilled. On fulfillment of such conditions, the subsidy is transferred to Capital Reserve.

J. Revenue:

- a) Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b) Sales are recognized at the point of despatch of materials to customers from plant and/or stocking points.
- c) Revenue from processing/ conversion services is recognized when the underlying goods are manufactured and ready for delivery i.e., on completion of service.

K. Employee Benefits:

- a) Provident Fund is administered through Regional Provident Fund Commissioner. Company's contributions to the above fund are charged to the Profit & Loss Account, on accrual.
- b) Provision for Gratuity is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary. The Gratuity Fund is administered through a scheme of Life Insurance Corporation of India. The contribution to the said fund is charged to the Profit & Loss Account, on accrual.
- c) Provision for Leave encashment cost is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary, and is charged to Profit & Loss Account, on accrual.

L. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. Interest on Bank Borrowings and other short term and long term borrowings is recognised as an expense in the year in which they are incurred.

M. Income Taxes:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred tax reflect the effect in the current period of timing differences originating and reversing between taxable income and accounting income for the period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case of unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

N. Impairment of Assets:

Impairment of an asset is reviewed and recognized in the events of changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment.

O. Contingencies:

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure for Contingent Liabilities is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

P. Earnings Per Share:

Earnings Per Share (EPS) are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Q. Segment Reporting:

Segments are identified in line with AS 17 "Segment Reporting" and segment information, if any required in accordance there with, is disclosed accordingly.

R. Research and Development:

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as part of fixed assets.

Note No. 3: Share Capital**(₹ in Lakhs)**

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Number of Shares	Amount	Number of Shares	Amount
Authorised 200,000,000 Equity Shares of ₹1/- each (Previous Year 200,000,000 Equity Shares of ₹1/- each)	200,000,000	2,000.00	200,000,000	2,000.00
Issued,Subscribed & Paid up * 155,911,508 Equity Shares of ₹1/- each (Previous Year 148,981,570 Equity Shares of ₹1/- each)	155,911,508	1,559.12	148,981,570	1,489.82
Total	155,911,508	1,559.12	148,981,570	1,489.82

a) Reconciliation of Share Capital	No. of Shares	Amount
Share capital at the beginning of the year (Equity Shares of ₹1/- each)	148,981,570	148,981,570
Add: Bonus Shares issued during the year (Equity Shares of ₹1/- each)	6,929,938	6,929,938
Share capital at the end of the year (Equity Shares of ₹1/- each)	155,911,508	155,911,508

b) Rights, Preferences and Restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares in the Company held by the Holding Company and Other Shareholders holding more than 5%

Particulars	As at 31 st March 2014			As at 31 st March 2013		
	% of share holding	Number of Shares held	₹ in Lakhs	% of share holding	Number of Shares held	₹ in Lakhs
Share Capital						
KLR Products Limited Holding Company	72.88%	113,623,500	1,136.24	76.27%	113,623,500	1,136.24

***d)** In compliance with clause 40A of the Listing Agreement read with relevant Securities & Exchange Board of India's (SEBI) circulars with regard to Minimum Public Shareholding in a listed entity, pursuant to the approval by the Shareholders in the Extraordinary General Meeting held on 22nd May, 2013, the Company has allotted 69,29,938 Equity Shares of ₹1/- each on 03rd June, 2013 as Bonus shares by way of capitalisation of Securities Premium Account, to Public Shareholders only (to the exclusion of Promoter Shareholders).

Note No. 4: Reserves & Surplus**(₹ in Lakhs)**

Particulars		As at 31st March 2014	As at 31st March 2013
a. Capital Reserve			
Opening Balance		20.94	20.94
Transfer		-	-
Utilised		-	-
Closing Balance	Sub Total (a)	20.94	20.94
b. Securities Premium Account			
Opening Balance		247.84	247.84
Add : Securities premium credited on Share issue		-	-
Less : Utilised for issue of Bonus Shares (Ref. Note 3(d))		69.30	-
Closing Balance	Sub Total (b)	178.54	247.84

(₹ in Lakhs)

c. General Reserve			
Opening Balance	4,175.00	4,175.00	
Add: Transferred from Surplus	-	-	
Deductions during the year	-	-	
Closing Balance	4,175.00	4,175.00	
d. Surplus			
Opening Balance	13,536.53	14,803.13	
Add: Net Profit/(Net Loss) For the Current Year	(2,121.57)	(1,266.60)	
Amount available for appropriations	-	-	
Less: Interim Dividends	-	-	
Less: Final Dividends	-	-	
Transferred to General Reserve	-	-	
Closing Balance	11,414.96	13,536.53	
Total (a to d)	15,789.44	17,980.31	

Note No. 5: Long-Term Borrowings

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2014	As at 31 st March 2013
Long-Term Borrowings				
Secured:				
(a) Term loans from (Refer Note No.a to e)				
- Banks (Rupee Loans)	3,591.64	2,986.63	2,471.67	2,209.73
- Other parties.	-	-	-	-
Un Secured:				
(b) Deferred Payment Liabilities (Refer Note No. f (i)&(ii))	230.79	320.27	68.46	59.56
Total	3,822.43	3,306.90	2,540.13	2,269.29

Notes :

- a) The Term Loan availed from IDBI Bank Ltd is secured by way of equitable mortgage by deposit of title deeds of the Company's immovable properties both present and future and by way of first charge on all fixed assets of the Company as a primary security and hypothecation of movable properties of the Company ranking pari passu with other term loan lenders and are further secured by a second charge on the current assets of the Company consisting of stock in trade, book debts, stores and spares.
- b) Term Loan availed from State Bank of India are secured by way of first charge on fixed assets of the Company and First charge on entire current assets to be shared with other working capital lenders under Multiple Banking Arrangement and second charge on fixed assets of the Company along with other working capital lenders.
- c) Working Capital Term Loans availed from New India Co-operative Bank Ltd are secured by way of first charge on fixed assets of the Company including Plant & Machinery and other movable assets on pari passu basis with other term loan lenders.
- d) Working capital loans from State Bank of India, outstanding at ₹2680.46 lakhs included in Term Loans from Banks above, are guaranteed by Sri K.S.Raju, a Director of the Company.
- e) Terms of repayments are given below:

(₹ in Lakhs)

Bank / Institution	Rate of Interest %	Balance as on 31.03.2014	Number of Instalments	Frequency	Commencing from
IDBI Bank Ltd.	BBR+ 4.25	833.33	54	Monthly	Jan-11
State Bank of India	BASE+ 3.75	1,671.04	12	Quarterly	Jan-13
State Bank of India	BASE+ 3.75	1,009.42	1	Yearly	Feb-14
New-India Co-operative Bank Ltd.	11.00%	488.23	5	Yearly	Mar-11
New-India Co-operative Bank Ltd.	13.00%	758.28	4	Half Yearly	Sep-12
New-India Co-operative Bank Ltd.	12.25%	505.21	4	Half Yearly	May-13
New-India Co-operative Bank Ltd.	12.50%	851.41	4	Half Yearly	Mar-14
Total		6,116.92			

f) Deferred Payment Liabilities:

- i) Sales Tax Deferment: Vide order No.10/1/5/0564/0696 dated 26th April, 1995 the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Monocrotophos for a period of ten years commencing from 1.7.1994; subject to a maximum of ₹1330.27 Lakhs. Based on the Sales Tax Returns, the sales tax so deferred aggregates net of repayments to ₹18.65 Lakhs as at the balance sheet date. (Previous Year ₹78.21 Lakhs). The repayment of deferred Sales Tax has commenced from July, 2004 as prescribed in the said order, the last instalment of which falls due in Jun'2014
- ii) Further vide Revised order No.10/1/9/0023/0387/ID, dated 31.01.2001, the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Acephate and Profenofos for a period of fourteen years commencing from 28.09.1997 for Acephate and from 23.02.2000 for Profenofos, subject to a maximum of ₹1028.55 Lakhs. The Sales Tax deferred in a year is payable at the end of 14th year without interest. Since financial year 2006-07, the Company has decided not to avail the Sales Tax deferment. First repayment commenced from 25.09.2013 as prescribed in the order. Based on the Sales Tax Returns, the sales tax so deferred aggregates to ₹280.61 Lakhs as at the balance sheet date. (Previous Year ₹301.62 Lakhs).

Note No. 6: Deferred Tax Liabilities (Net)**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
a. Deferred tax liability comprises of following:		
Fixed assets-(Depreciation)	2,264.97	3,149.83
Others	-	-
TOTAL (a)	2,264.97	3,149.83
b. Deferred tax Assets comprises of following:		
Disallowances as per Section 43B and Section 40(a) of the Income Tax Act, 1961	46.67	34.57
Unabsorbed depreciation	283.83	963.95
Others	-	-
TOTAL (b)	330.50	998.52
TOTAL Net (a-b)	1,934.47	2,151.31

Note No. 7: Other Long Term Liabilities**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Trade Deposits from Dealers	1,150.57	1,012.27
Others	-	-
Trade Payables (More than 1 Year)	-	-
TOTAL	1,150.57	1,012.27

Note No. 8: Long Term Provisions**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Provision for Employee Benefits		
Leave Encashment (unfunded)	141.17	104.42
TOTAL	141.17	104.42

Note No. 9: Short-Term Borrowings**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(i) Short -Term Borrowings:		
Secured:		
(a) Loans Repayable on Demand from Banks.*	15,569.07	12,144.66
TOTAL	15,569.07	12,144.66

* Loans Repayable on Demand from Banks (along with Non Fund Based Limits of Letters of Credit and Bank Guarantees) from State Bank of India, IDBI Bank Ltd & HDFC Bank Ltd are secured by way of hypothecation of current assets comprising stock in trade, book debts and stores and spares, both present and future. The aforesaid facilities are further secured by second charge on the Company's immovable and hypothecation of movable properties, both present and future, ranking pari passu with the term loans. The above are also guaranteed by Sri K.S.Raju, a director of the Company.

Note No. 10: Trade Payables**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Trade Payables (Refer Note No a)	12,184.85	12,654.24
Total	12,184.85	12,654.24

Note:

- a) The Company has not received confirmations for the current year about the status under The Micro, Small and Medium Enterprises Development Act, 2006, from various creditors, consequent to which, the classification of dues to such Enterprises can not be compiled as at the Balance Sheet date.

Note No. 11: Other Current Liabilities**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Secured:		
Current maturities of long term borrowings (Refer Note No.5 (a to d))	2,471.67	2,209.73
Interest accrued but not due (Refer Note No.5 (a to d))	40.24	1.28
Interest accrued and due (Refer Note No.5 (a to d))	53.61	44.89
(b) Unsecured:		
Capital Creditors	1,047.00	472.15
Un claimed Dividends (Refer Note No.a)	79.69	93.06
Advances from Customers-Domestic	1,475.55	1,234.68
Provident Fund	35.43	29.49
Other Liabilities	429.05	587.86
Deferred Payment Liabilities.(Refer Notes 5 No. f (i) & (ii))	68.46	59.56
Total	5,700.70	4,732.70

Note:

- (a) As at the date of this Balance Sheet, there are no amounts of Unclaimed dividends due for remittance to the Investor Education & Protection Fund.

Note No. 12: Short Term Provisions**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Provision for Employee Benefits		
Gratuity Premium accrued but not due to the fund	124.20	40.12
Leave Encashment (unfunded)	2.67	2.13
(b) Provision for Taxes		
Income Tax	-	-
Wealth Tax	0.57	1.00
Proposed Equity Dividend	-	-
Corporate Dividend Tax	-	-
(c) Other Provisions	4,010.21	4,379.15
TOTAL	4,137.65	4,422.40

Note No.13: Fixed Assets

(₹ in Lakhs)

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	Balance as at 01 st April 2013	Additions	Sales / adjustments	Balance as at 31 st March 2014	As at 1 st April 2013	for the year	Sales / adjustments	Balance as at 31 st March 2014
a Tangible Assets								
Land	722.06	-	280.46	441.60	-	-	-	441.60
Buildings	4,288.09	529.19	-	4,817.27	988.90	132.43	-	3,695.94
Plant and Equipment	25,702.29	5,545.36	3,154.31	28,093.34	13,582.50	1,945.45	482.80	13,048.19
Furniture and Fixtures	583.28	2.29	-	585.57	109.64	34.63	-	441.30
Vehicles	277.79	0.07	50.07	227.79	115.57	23.90	19.82	108.14
Office Equipment	186.30	25.94	1.92	210.32	54.52	12.13	0.06	143.73
Computers & Peripherals	416.93	52.67	9.06	469.54	274.71	51.72	5.84	139.95
Total	32,176.73	6,155.52	3,495.82	34,836.43	15,125.84	2,200.26	508.52	18,018.86
Less : Depreciation Capitalised during the year						67.45		
Depreciation taken to Statement of Profit and Loss						2,132.81		
Note No.14								
b Intangible Assets								
Goodwill	121.40			121.40	121.40	-		-
SAP Upgradation licence / Implementation fee	255.09	28.60		283.70	92.18	54.40		162.99
R&D Projects	-	80.32		80.32	-	0.07		80.25
Technical Knowhow	65.00			65.00	64.05	0.95		-
Total	441.49	108.92	-	550.42	277.63	55.42	-	217.37
Note No.15								
c Capital Work In Progress								
	-			-		-		1,643.59
d Intangible Assets under development								
	-			-		-		154.53
Total	-	-	-	-	-	-	-	1,798.12
Total	32,618.23	6,264.44	3,495.82	35,386.85	15,403.47	2,188.23	508.52	20,034.34
Previous Year	33,561.35	2,005.93	2,949.05	32,618.23	14,395.71	2,528.52	1,520.84	18,306.69
								20,777.67

Note No. 16: Non Current Investments**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Un quoted - Non Trade		
Equity Instruments		
a) Subsidiaries:		
- Nagarjuna Agrichem (Australia) Pty Ltd (100 Equity Shares of AU\$ 1/- each, Previous year: 100)	0.05	0.05
- LR Research Lab Private Limited (10,000 Equity Shares of ₹10/- each, Previous year: 10,000)	1.00	1.00
b) Associate:		
- Nasense Labs Pvt.Ltd.,(Formerly USP Organics Pvt Ltd) (49,36,052 Equity shares of ₹10/- each, Previous year: 35,00,000)	493.60	350.00
c) Others:		
- Shubho-Tech Private Ltd. (3,30,234 10% Cumulative Redeemable Preference Shares of ₹100/- each, Previous year: Nil)	330.23	-
- New India Co-Operative Bank Ltd. (50,000 Equity Shares of ₹10/- each, Previous year: 50,000)	5.00	5.00
TOTAL (Aggregate Amount of Unquoted Investments)	829.88	356.05

Note No.17: Long-Term Loans and Advances**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(Unsecured Considered Good)		
Loan to an Associate Company - Nasense Labs Pvt.Ltd.	167.00	250.00
Other Loans and Advances		
Income tax (net of provisions) - Advance / paid under protest	700.10	755.23
Prepaid Expenses	7.80	7.72
Deposits with Government, Public Bodies and Others	12.67	4.48
Electricity and Other Deposits	199.52	199.52
Balance with Customs, Central Excise etc.,	23.22	22.72
Rental and Other Deposits	119.23	115.33
Telephone Deposit	1.28	1.35
TOTAL	1,230.82	1,356.35

Note No.18: Inventories**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(Refer Note No. 2 G)		
Raw Materials	7,103.62	5,902.44
Work-in-Progress	633.23	1,211.47
Finished Goods	7,388.35	8,227.93
Stock in Trade	1,263.03	1,026.07
Packing Materials	700.57	527.86
Stores and Spares	541.70	365.68
TOTAL	17,630.50	17,261.45

Note No.19: Trade Receivables**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Unsecured and Considered Good:		
Due for a Period More than Six Months	2,009.72	1,310.53
Others	13,996.91	15,100.97
TOTAL	16,006.63	16,411.50

Note No.20: Cash and Cash Equivalents**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
a. Cash on Hand	7.29	11.64
b. Balances with Banks*		
1) In Current Accounts		
- Rupee Accounts	1,542.67	2,134.65
- Foreign Currency Accounts	63.99	0.87
2) Earmarked Accounts - Unclaimed Dividend	79.69	93.05
3) Bank Deposits with more than 12 Months Maturity	1.00	1.00
TOTAL	1,694.64	2,241.21

Note No.21: Short-Term Loans and Advances**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Unsecured and Considered Good:		
Advance Income Taxes & TDS (net of provisions)	5.35	6.43
Prepaid Expenses	104.26	127.32
Loans and Advances to Employees	4.34	2.43
Balance with Customs, Central Excise etc.,	833.72	511.38
Capital Advances	411.00	466.86
Advance to Material Suppliers and Others	698.47	584.98
Trade Advance to Related Parties (Refer Note No.39B)	489.73	409.51
TOTAL	2,546.87	2,108.91

Note No.22: Other Current Assets**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Interest Accrued on Deposits & Others	87.65	84.99
Insurance Claims Receivable	1,928.13	1,871.88
TOTAL	2,015.78	1,956.87

Note No.23: Revenue From Operation**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
a. Sale of Products:		
- Agri Inputs	73,239.52	67,837.82
- Power	189.37	420.01
b. Other operating revenues:		
- Conversion Charges	489.34	364.33
- Income from Operations	23.76	86.51
- Other Operating Income	118.53	55.41
Less:		
Excise Duty & VAT	10,476.15	8,706.36
TOTAL	63,584.37	60,057.72

Note No.24: Other Income**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
a. Interest Income	55.20	166.80
b Other Non-Operating Income		
- Excess Provisions Written Back	466.00	269.63
- Profit on Sale of Fixed Assets	0.66	0.73
- Bad Debts Written off Recovered	52.59	63.35
- Dividends Received on Investments	0.50	1.30
- Others	1,358.55	1,318.05
TOTAL	1,933.50	1,819.86

Note No.25: Cost of Materials Consumed**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
Raw-Material Consumption	35,143.97	35,256.33
Packing-Material Consumption	3,634.52	3,400.92
TOTAL	38,778.49	38,657.25

Note No.26: Changes in Inventories of Finished Goods, Work-in- Progress and Stock-in-Trade**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
Opening Work-in-Progress	1,211.47	1,140.95
Opening Finished Goods	8,227.93	8,536.55
TOTAL	9,439.40	9,677.50
Closing Work-in-Progress	633.23	1,211.47
Closing Finished Goods	7,388.35	8,227.93
TOTAL	8,021.58	9,439.40
Adjustment for Excise Duty on Stock		
Net (Increase)/Decrease in Stock	1,417.82	238.10

Note No.27: Employee Benefits Expenses**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
Salaries, Wages and Bonus	3,763.34	3,502.56
Contribution to Provident and Other Funds	213.50	194.32
Workmen and Staff Welfare Expenses	363.64	274.27
TOTAL	4,340.48	3,971.15

Note No.28: Finance Costs**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
a. Interest Expense		
(i) Interest on Term Loans	664.62	845.18
(ii) Interest on Working Capital Loans	1,023.93	1,193.32
(iii) Interest - Others	750.06	739.09
(iv) Bank Charges	175.90	112.04
(v) Financial Charges	185.18	181.19
TOTAL	2,799.69	3,070.82

Note No.29: Depreciation and Amortization Expense**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
(Refer Note No. 13 to15)		
Tangible Assets	2,132.81	2,507.59
Intangible Assets	55.42	20.93
TOTAL	2,188.23	2,528.52

Note No.30: Other Expenses**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
Consumption of Stores and Spare Parts	530.49	690.59
Repairs and Maintenance		
- Buildings	34.97	25.77
- Plant & Machinery	41.65	16.59
- Others	66.26	54.38
Other Manufacturing Costs	1,561.19	1,098.19
Power and Fuel	3,084.61	2,071.42
Rent	262.44	248.68
Rates and Taxes, Excluding, Taxes on Income	30.95	43.64
Communication Expenses	103.43	92.94
Travel & Conveyance	919.96	842.12
Technical Consultancy	140.91	84.42
Legal & Professional Charges	176.45	218.38
Insurance	197.07	108.90
Directors' Sitting Fees	4.60	5.20
Auditors' Remuneration:		
- Audit Fee	15.00	15.00
- Taxation Matters	3.00	3.00
- Certification Fees	6.75	3.00
- Out of Pocket Expenses	0.26	1.60
Cost Audit Fee	3.00	3.00
S.A.P. Annual Maintenance	32.72	24.34
R&D and Product Development Expenses	7.22	59.06
Miscellaneous Expenses	575.25	506.25
Foreign Exchange Fluctuation (Net of Gain of ₹3,88,98,916)	238.46	225.15
Loss on Sale/Retirement of Fixed Assets	17.78	3.42
Bad Debts Written Off	140.72	229.27
Marketing Expenses	2,514.36	1,705.29
Freight Outward	1,224.04	1,294.46
Export and Export Related Expenses	433.84	258.40
TOTAL	12,367.38	9,932.46
DUTIES AND TAXES		
Excise Duty	7,533.21	6,482.49
Less : Adjusted to Turnover	7,708.49	6,448.53
TOTAL	(175.28)	33.96
TOTAL	12,192.10	9,966.42

31. Commitments/ Contingent Liabilities:

Sl. No.	Particulars	As at 31.03.2014 ₹in Lakhs	As at 31.03.2013 ₹in Lakhs
a.	Commitments/ Contingent Liabilities		
(i)	Letters of Credit	6,797.91	4,119.62
(ii)	Counter Guarantees	414.01	451.09
b.	Claims against the Company not acknowledged as debts in respect of		
(i)	Disputed Excise Duty, Service Tax Demands (Net of payments made under protest ₹9.11 Lakhs)	23.41	27.96
(ii)	Disputed Income Tax Demands (Net of payments made under protest ₹430.40 Lakhs)	-	-
(iii)	Disputed Sales Tax Demands (Net of payments made under protest ₹8.51 Lakhs)	-	-
c.	Others	239.73	244.71
d.	Estimated amount of contracts, remaining to be executed on Capital account and not provided for (Net of advance)	1,453.09	899.59

32.**A. Raw Material Consumed:**

Particulars	2013-14	2012-13
	Value ₹in Lakhs	Value ₹in Lakhs
Raw Material *	35,143.97	35,256.33
TOTAL	35,143.97	35,256.33

* Note: There is no individual item of raw material consumed exceeding 10% of the total raw material consumed.

B. Value of Raw Material Consumed (Imported & Indigenous):

Particulars	2013-14		2012-13	
	₹in Lakhs	%	₹in Lakhs	%
Imported	12,271.42	34.92	9,927.52	28.16
Indigenous	23,872.55	65.08	25,328.81	71.84
TOTAL	35,143.97	100.00	35,256.33	100.00

C. Value of Stores and Spares consumed (Imported & Indigenous):

Particulars	2013-14		2012-13	
	₹in Lakhs	%	₹in Lakhs	%
Indigenous	360.78	100	390.59	100
Imported	-	-	-	-

D. Value of Imports Calculated on CIF Basis:

Particulars	2013-14 ₹in Lakh	2012-13 ₹in Lakhs
Raw Material	13,296.37	11,264.12
Capital Goods	360.02	14.29

E. Expenditure in Foreign Currency:

Particulars	2013-14 ₹in Lakh	2012-13 ₹in Lakhs
Traveling Expenses	22.21	8.01
Consultancy Charges	58.27	6.09
Others including Commission	77.13	52.31

F. Earnings in Foreign Exchange:

Particulars	2013-14 ₹in Lakh	2012-13 ₹in Lakhs
Export of Goods on FOB basis	9,204.86	12,009.29

33. Foreign Exchange Fluctuations:

Particulars	2013-14 ₹in Lakh	2012-13 ₹in Lakhs
On Exports		
- Adjusted to Export Sales	352.09	350.76
On Imports		
- Adjusted to Consumption of Raw Materials	(472.04)	(470.64)
On Loans & Others shown under Finance cost (b)		
Exchange Fluctuation on Foreign Currency Transactions	(118.51)	(105.27)
Net Foreign Exchange (debited)/ Credited to Profit & Loss	(238.46)	(225.15)

34. Payments to Auditors:

Sl. No.	Particulars	2013-14 ₹in Lakh	2012-13 ₹in Lakhs
1.	Statutory Audit *	15.00	15.00
2.	Tax Audit *	3.00	3.00
3.	Certification *	3.00	3.00
4.	Out of Pocket Expenses	1.66	1.60
	TOTAL	22.66	22.60

* Service Tax which is being claimed for set-off as input credit has not been included in the expenditure above.

35. Expenditure on Research & Development:

Particulars	2013-14 ₹in Lakh	2012-13 ₹in Lakhs
(A) Revenue expenditure capitalized during the year from respective heads :		
- Salaries & Wages	55.10	-
- Contribution to PF etc	3.38	-
- Staff Welfare Expenses	5.19	-
- Chemicals Consumption	28.17	-
- Travel & Conveyance	9.88	-
- Communication	0.22	-
- Consultancy Charges	3.26	-
- Depreciation	67.45	-
- Repairs	8.96	-
- Electricity	23.08	-
- Other Expenses	30.15	-
Total (A)	234.84	
(B) Capital Expenditure	131.47	
Total Capital Expenditure (A) + (B)	366.31	1245.76
(C) Other Revenue Expenditure	138.31	103.14

36. Borrowing Cost

Borrowing cost incurred during the year for acquisition of assets aggregated to ₹254.51 Lakhs (Previous year ₹13.05Lakhs)

37. In compliance with clause 40A of the Listing Agreement read with relevant Securities & Exchange Board of India's (SEBI) circulars with regard to Minimum Public Shareholding in a listed entity, pursuant to the approval by the Shareholders in the Extra-ordinary General Meeting held on 22nd May, 2013, the Company has allotted 69,29,938 Equity Shares of ₹1/- each on 03rd June, 2013 as Bonus shares by way of capitalisation of Securities Premium Account, to Public Shareholders only (to the exclusion of Promoter Shareholders).

38. There was a fire incident on 30.06.2012 in Block-5 of the Company's Sriakakulam plant. The Company had made a provisional assessment of the loss in the said incident and as per the terms of the insurance policy and duly lodged provisional claims with the Insurance Company covering the totally damaged assets, partially damaged assets, damaged inventories and other covered risks.

Accordingly in the books of account, the gross block value of the totally damaged assets aggregating to ₹29.05 crores, was de-capitalised and its written down value of ₹14.16 crores was included under “claim receivable” from the Insurance Company in the financial statement for the year ended 31.03.2013 and continues as such as on 31.03.2014.

Pending completion of the final assessment of damage to the partially damaged assets, the value if any to be decapitalised therefrom, continues to be included in the gross block as on 31.03.2014. On completion of the final assessment, appropriate treatment in the books of account will be made to the value of these assets.

The estimated value of the damaged inventories and other claims aggregating to ₹4.56 crores was also included under “claim receivable” from the Insurance Company in the financial statements for the year ended 31.03.2013 and continues as such as on 31.03.2014.

The provisional claims made with the Insurance Company continue to be under process as at 31.03.2014. The Regional Claims Committee of the Insurance Company, has recommended for approval of its head office, for an on account interim payment towards the Company’s claims.

Necessary adjustments in the accounts and the financial impact if any in respect of the aforesaid will be made on completion of final assessment.

39. Related Party Transactions:

A. Names of related parties and description of relationship:

Sl. No.	Relationship	Party
1.	Subsidiary Company	Nagarjuna Agrichem (Australia) Pty Limited, Australia, LR Research Laboratories Pvt.Ltd.
2.	Holding Company	KLR Products Limited (Formerly GSR Products Limited)
3.	Associate	Nasense Labs Pvt.Ltd. (Formerly USP Organics Pvt Ltd.)
4.	Key Management Personnel (KMP)	Mr.V.Vijay Shankar, Managing Director
5.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Indo International Fertilizers Ltd. Shubho-Tech Pvt. Ltd.
6.	a) Individuals who, indirectly have control on the voting power in the company.	Mrs.K Lakshmi Raju, Director
	b) Relatives of (a) above	Mr.K.S.Raju (Father)
7.	Enterprises under the significant influence of persons having significant influence over this company	Nagarjuna Fertilizers & Chemicals Ltd. Bhagiradha Chemicals & Industries Ltd.

B. Related Party transactions are as under:**(₹ in Lakhs)**

Sl. No.	Transaction	Associates		Key Management Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Individuals who, indirectly have control on the voting power in the company		Enterprises under the significant influence of persons having significant influence over this company	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
A) TRANSACTIONS DURING THE YEAR											
1.	Sales (incl. Capital)	-	-	-	-	-	-	-	-	-	412.81
2.	Purchases (incl Capital)	-	-	-	-	-	-	-	-	983.32	2,132.33
3.	Conversion charges (Indo International Fertilisers Ltd.)	-	-	-	-	425.82	272.01	-	-	-	-
4.	Building , Equipment & Godown rents -Expense	-	-	-	-	-	-	116.03	110.57	0.98	6.36
5.	Godown rent-Income	-	-	-	-	-	-	-	-	5.40	6.00
6.	Managerial Remuneration	-	-	66.61	68.55	-	-	-	-	-	-
7.	Advance payments	-	-	-	-	-	112.63	-	-	-	-
8.	Investments	143.61	-	-	-	330.23	-	-	-	-	-
B) BALANCE AS AT 31 st MARCH											
9.	Credit balances outstanding as 31 st March	2.36	2.36	-	-	-	-	-	-	226.78	772.71
10.	i)Trade Debit balances outstanding as on 31 st March	87.71	87.71	-	-	489.73	409.51	-	-	-	-
	ii) Debit balances (Unsecured Loan) outstanding as on 31 st March	194.63	310.61								

40. Exceptional Item comprises Loss on Sale of Wind Mill Undertaking.

41. Minimum remuneration, in accordance with the provisions of Schedule XIII to the Companies Act, 1956, has been paid to the Managing Director, in the absence of profits for the year.

42. Earnings per Share : The computation of EPS is as follows

(₹ in Lakhs)

Sl. No.	Particulars	2013-14	2012-13
a)	Profit/(Loss) After Tax (₹ in Lakhs) (There are no Extraordinary items)	(2122)	(1266)
b)	Earnings available to Equity Shareholders (₹ in Lakhs)	(2122)	(1266)
c)	Weighted average No. of Shares taken for computing EPS		
	- Basic	155,911,508	155,911,508
	- Diluted of par value of ₹1/-	155,911,508	155,911,508
d)	Earnings per Share (₹) (b/c)		
	- Basic	(1.36)	(0.81)
	- Diluted	(1.36)	(0.81)

43. Employee Benefit Obligations**A. Defined Contribution Plan:**

The Company makes Provident Fund contribution to defined contribution retirement benefit plan for qualifying employees. Under the scheme the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Contribution to defined contribution plan is recognized and charged off for the year as follows: (₹ in Lakhs)

Particulars	FY 2013-14	FY 2012-13
Employer's Contribution to Provident Fund	123.10	104.14
Employer's Contribution to Pension Scheme	67.27	68.37

B. Defined Benefit Plan:

Liability for retiring gratuity as on March 31, 2014 is ₹416.21 Lakhs (as on March 31, 2013 - ₹319.33 Lakhs) of which ₹292.00 Lakhs (as on March 31, 2013 - ₹279.21 Lakhs) is funded with Life Insurance Corporation of India the balance is included in provision for Gratuity. Liability for Gratuity has been actuarially determined and provided in the books. The details of the Company's post-retirement benefit plans for its employees are given below which is certified by the actuary.

(₹ in Lakhs)

Sl. No.	Particulars	31.03.2014	31.03.2013
1.	Acturial Assumptions		
	Discount Rate	8%	8%
	Salary Escalation	4%	4%
	Attrition Rate	1-3%	1-3%
	Mortality Table	LIC (1994-96)	LIC (1994-96)
	Retirement Age	58 Years	58 Years
2.	Table Showing changes in present value of Obligation as on 31/03/2014		
	Present value of obligations as at beginning of year	206.96	160.05
	Interest cost	16.56	12.80
	Current Service Cost	36.60	32.27
	Benefits Paid	(19.27)	(20.31)
	Actuarial (gain)/ loss on obligations	(2.36)	22.15
	Present value of obligations as at end of year	238.50	206.96
3.	Table showing changes in the fair value of plan assets as on 31/03/2014		
	Fair value of plan assets at beginning of year	279.21	249.19
	Expected return on plan assets	24.08	23.94
	Contributions	7.98	26.40
	Benefits Paid	(19.27)	(20.31)
	Actuarial gain/(loss) on Plan assets	-	-
	Fair value of plan assets at the end of year	292.01	279.21

4.	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	279.21	249.19
	Actual return on plan assets	24.08	23.94
	Contributions	7.98	26.40
	Benefits Paid	(19.27)	(20.31)
	Fair value of plan assets at the end of year	292.01	279.21
	Funded status	53.51	72.25
	Excess of Actual over estimated return on plan assets (Actual rate of Return = Estimated rate of return as ARD falls on 31 st March)	-	-
5.	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	2.36	(22.15)
	Actuarial (gain)/ loss for the year - plan assets	-	-
	Actuarial (gain)/ loss on obligations	(2.36)	22.15
	Actuarial (gain)/ loss recognized in the year	(2.36)	22.15
6.	The amounts to be recognized in the balance sheet and statements of profit and loss		
	Present value of obligations as at the end of year	238.50	206.96
	Fair value of plan assets as at the end of the year	292.01	279.21
	Funded status	53.51	72.25
	Net asset/(liability) recognized in balance sheet	(53.51)	(72.25)
7.	Expenses Recognised in statement of Profit and loss		
	Current Service Cost	36.60	32.27
	Interest Cost	16.56	12.80
	Expected return on plan assets	(24.08)	(23.94)
	Net Actuarial (gain)/ loss recognized in the year	(2.36)	22.15
	Past Service Cost	-	-
	Expenses recognised in statement of Profit and loss	26.72	43.28

The obligation of leave encashment is recognized based on actuarial valuation made by an independent actuary at the end of the financial year.

44. Balance of debtors, loans and advances and creditors are subject to reconciliation and confirmation.
45. Figures of the previous year have been re-grouped/recast wherever necessary to conform to the current year's presentation/classification.
46. Figures are rounded off to the nearest thousands.

Signatures to Notes 1 to 46

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

for and on behalf of the Board

V.RaghuNandan
Partner

K.S.Raju
Director

V.Vijay Shankar
Managing Director

Place : Hyderabad
Dated : 30th May, 2014

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Nagarjuna Agrichem Limited

Report on Financial Statements

We have audited the accompanying consolidated financial statements of Nagarjuna Agrichem Limited ("the Company") and its subsidiary LR Research Laboratories Private Limited, which comprise the consolidated balance sheet as at March 31, 2014, the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to following notes to the consolidated financial statements:

- Note No.40 regarding claim lodged with insurers based on the provisional assessment of the loss made by the management of the fire accident in Block no. 5 of Srikakulam factory during the financial year 2012-2013 in respect of totally / partially damaged assets, inventory and other risks and treatment of the same as receivable pending final assessment and acceptance by the insurers, on the date of the Balance Sheet dealt with by this report.
- Necessary adjustments in the accounts and the final impact, if any, will be accounted on completion of final assessment and its acceptance by the insurers.

Our opinion is not qualified in respect of the above matter.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No. 000459 S

Place : Hyderabad
Date : 30th May, 2014

(V.RaghuNandan)
Partner
Membership No. 26255

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	3	1,559.12	1,489.82
Reserves and Surplus	4	15,874.83	17,979.84
2 Non-Current Liabilities		17,433.95	19,469.66
Long-Term Borrowings	5	3,822.43	3,306.90
Deferred Tax Liabilities (net)	6	1,934.47	2,151.31
Other Long Term Liabilities	7	1,150.57	1,012.27
Long-Term Provisions	8	141.17	104.42
3 Current liabilities		7,048.64	6,574.90
Short-Term Borrowings	9	15,569.07	12,144.66
Trade Payables	10	12,184.85	12,654.24
Other Current Liabilities	11	5,701.43	4,733.12
Short-Term Provisions	12	4,137.65	4,422.40
TOTAL		37,593.00	33,954.42
		62,075.59	59,998.98
II. ASSETS			
1 Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	13	18,018.85	17,050.90
(ii) Intangible Assets	14	217.37	163.94
(iii) Capital Work-in-Progress	15	1,643.59	1,091.85
(iv) Intangible Assets Under Development		154.53	-
Non-Current Investments	16	914.95	355.00
Long-Term Loans and Advances	17	1,230.82	1,356.35
		22,180.11	20,018.04
2 Current assets			
Inventories	18	17,630.50	17,261.45
Trade Receivables	19	16,006.65	16,411.50
Cash and Cash Equivalents	20	1,695.68	2,242.21
Short-Term Loans and Advances	21	2,546.87	2,108.91
Other Current Assets	22	2,015.78	1,956.87
TOTAL		39,895.48	39,980.94
		62,075.59	59,998.98

Significant Accounting Policies and Notes on Financial Statements 1 to 49

As per our report of even date attached
For **M.BHASKARA RAO & CO.**,
Chartered Accountants

for and on behalf of the Board

V.Raghunandan
Partner

K.S.Raju
Director

V.Vijay Shankar
Managing Director

Place : Hyderabad
Dated : 30th May, 2014

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. Revenue from Operations			
Sales	23	74,060.52	68,764.08
Less: Excise Duty & VAT		10,476.15	8,706.36
		63,584.37	60,057.72
II. Other Income	24	1,933.50	1,819.86
III. Total Revenue (I + II)		65,517.87	61,877.58
IV. Expenses:			
Cost of Materials Consumed	25	38,778.49	38,657.25
Purchase of Stock in Trade		5,808.91	5,438.61
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	1,417.82	238.10
Employee Benefits Expense	27	4,340.48	3,971.15
Finance Costs	28	2,799.69	3,070.82
Depreciation and Amortization Expenses	29	2,188.23	2,528.52
Other Expenses	30	12,192.35	9,966.89
Total Expenses		67,525.97	63,871.34
V. Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)		(2,008.10)	(1,993.76)
VI. Exceptional Items	43	330.56	-
VII. Profit/(Loss) Before Extraordinary Items and Tax (V - VI)		(2,338.66)	(1,993.76)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) Before Tax (VII- VIII)		(2,338.66)	(1,993.76)
X. Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		(216.84)	(726.69)
XI. Profit /(Loss) for the Period (IX + X)		(2,121.82)	(1,267.07)
XII. Share of Profit from Associate Company		69.99	-
XIII. Profit /(Loss) for the Period (XI + XII)		(2,051.83)	(1,267.07)
XIV. Earnings Per Equity Share:			
(1) Basic		(1.32)	(0.81)
(2) Diluted		(1.32)	(0.81)

Significant Accounting Policies and Notes on Financial Statements

1 to 49

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

for and on behalf of the Board

V.Raghunandan
Partner

K.S.Raju
Director

V.Vijay Shankar
Managing Director

Place : Hyderabad
Dated : 30th May, 2014

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2014		For the Year ended 31 st March 2013	
	Amount	Amount	Amount	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	(2,338.66)	(2,338.66)	(1,993.76)	(1,993.76)
Extraordinary Items	-	-	-	-
Adjustments for:				
Add:				
Depreciation & Amortisation Expenses	2,188.23		2,528.52	
Foreign Exchange Fluctuations-Unrealised Loss	233.90		338.77	
Loss on Sale/Discarded of Fixed Assets	348.34		3.42	
Interest	2,799.69		3,136.36	
Less:		5,570.16		6,007.07
Profit on Sale of Assets	0.66		0.73	
		0.66		0.73
Operating Profit Before Working Capital Changes		3,230.84		4,012.58
Adjustments for:				
Less:				
Increase in Trade Receivables	-		-	
Increase in Inventories	369.05		841.43	
Increase in Other Current Assets	58.91		1,912.19	
Increase in Short Term Loans & Advances	437.96		61.84	
Decrease in Trade Payable	547.89		-	
Decrease in Other Current Liabilities & Short Term Provisions			164.65	
Decrease in Long Term Liabilities & Provisions	-		-	
		1,413.81		2,980.11
		1,817.03		1,032.47
Add:				
Increase in Other Current Liabilities & Short Term Provisions	635.69		142.73	
Decrease in Long Term Loans & Advances	125.53		-	
Decrease in Trade Receivables	382.27		2,815.35	
Increase in Long Term Liabilities & Provisions	175.06		38.71	
Increase in Trade Payable			3,244.87	
Cash Generated from Operations		1,318.55		6,241.66
		3,135.58		7,274.13
Less:				
Taxes Paid	-	-	(363.99)	(363.99)
Cash Flow Before Extraordinary Items		3,135.58		7,638.12
NET CASH FROM OPERATING ACTIVITIES		3,135.58		7,638.12

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2014		For the Year ended 31 st March 2013	
	Amount	Amount	Amount	Amount
CASH FLOWS FROM INVESTING ACTIVITIES				
B. Inflow:				
Share of Profit from Associate Company	86.11			
Sale/Retirement of Fixed Assets	2,707.15	2,793.26	1,425.53	1,425.53
Outflow:				
Investments	559.95		-	
Purchase of Fixed Assets	6,264.44		2,005.93	
Capital Work-in-Progress	706.27		(99.69)	
		7,530.66		1,906.24
NET CASH USED IN INVESTING ACTIVITIES		(4,737.40)		(480.71)
C. CASH FLOW FROM FINANCEING ACTIVITIES				
Proceeds from Long Term / Short Term Borrowings:				
In flow:				
Long Term Borrowings	605.01		-	
Short Term Borrowings	3,291.57		-	
		3,896.58		
Outflow:				
Long Term Borrowings	-		1,209.15	
Short Term Borrowings	-		2,998.53	
Interest Paid	2,760.72		3,145.13	
Deferred Payment Liabilities	80.57		69.78	
Corporate Dividend Tax	-		-	
Equity Dividend	-		-	
		2,841.29		7,422.59
NET CASH USED IN FINANCING ACTIVITIES		1,055.29		(7,422.59)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLENTS (A+B+C)		(546.53)		(265.18)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2,242.21		2,507.39
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,695.68		2,242.21

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

for and on behalf of the Board

V.Raghunandan
Partner

K.S.Raju
Director

V.Vijay Shankar
Managing Director

Place : Hyderabad
Dated : 30th May, 2014

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal

Notes forming part of the Financial Statements for the year ended 31st March, 2014

1. Corporate Information

NAGARJUNA AGRICHEM LTD., is a Public Limited Company listed with Bombay Stock Exchange. It is part of the Nagarjuna group based at Hyderabad. The Company is in the business of Crop Protection and manufactures both Technicals (Active Ingredient -AI) and Formulations. It manufactures all kinds of Pesticides, Insecticides, Acaricides, Herbicides, Fungicides and other Plant Growth Chemicals. The Company's Formulation Business is mainly in the Indian Market and sells through its large retail dealer network of nearly 11000 dealers, spread across India. The Company has an impressive range of Branded Formulations. It also exports Technicals and Formulations and does toll Manufacture for various Multinational Companies.

2. Significant Accounting Policies

A. Accounting Convention:

The financial statements are prepared on the basis of going concern, under the historical cost convention, in accordance with the generally accepted principles and provisions of the Companies Act, 1956, with revenues recognised and expenses accounted on accrual basis unless otherwise stated.

B. Use of Estimates:

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, the amounts of revenue and expenses during the reported period. Actual results could differ from those of estimates. Any revision to such estimates is recognized in the period the same is determined.

C. Fixed Assets:

- a) Fixed assets are stated at historical cost. (Net of Modvat / Cenvat Credit availed), less accumulated depreciation and impairment loss if any.
- b) Capital Work-in-progress is stated at amount expended upto the date of the Balance Sheet.
- c) Expenditure during construction period other than those directly related to an asset is included under "Expenditure pending allocation" to be allocated to various fixed assets at the time of commencement of commercial production, as determined in accordance with the generally accepted accounting policies.
- d) Expenditure incurred on Research & Development projects are considered as Intangible Assets on completion of the project and put into commercial use.

D. Depreciation:

Depreciation is provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 (as amended from time to time). Depreciation on impaired assets is provided by a systematic allocation of the depreciable amount over the remaining useful life of such assets.

E. Intangibles:

- a) Goodwill is amortised over a period of Ten years.
- b) SAP Upgrade License/ Implementation fees is amortised over a period of twenty four months.
- c) Intangible assets on account of R&D Projects amortised over a period of Thirty six months.

F. Long Term Investments:

Investments are stated at cost less any diminution in their value, which is other than temporary.

G. Inventory:

The method of valuation of various categories of Inventories is as follows:-

- a) Raw materials - at lower of cost and net realizable value.
- b) Work-in-process - at cost.
- c) Finished goods - at lower of cost and net realisable value. Cost includes cost of direct material, labour, factory overheads inclusive of excise duty.
- d) Stores & Spares, Packing material - at lower of cost and net realizable value.
- e) Traded goods - at lower of cost and net realizable value.

Cost is ascertained on the "Weighted Average" basis.

H. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing at the dates of the transaction. Monetary items are translated at the year end foreign exchange rates. Resultant exchange differences arising on payment or conversion of liabilities/ assets are recognized as income or expense in the year in which they arise.

I. Capital Subsidy:

Capital investment subsidy not specifically related to any fixed asset is credited to a specific reserve upon receipt and retained till the requisite conditions are fulfilled. On fulfillment of such conditions, the subsidy is transferred to Capital Reserve.

J. Revenue:

- a) Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b) Sales are recognized at the point of despatch of materials to customers from plant and/or stocking points.
- c) Revenue from processing/ conversion services is recognized when the underlying goods are manufactured and ready for delivery i.e., on completion of service.

K. Employee benefits:

- a) Provident Fund is administered through Regional Provident Fund Commissioner. Company's contributions to the above fund are charged to the Profit & Loss Account, on accrual.
- b) Provision for Gratuity is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary. The Gratuity Fund is administered through a scheme of Life Insurance Corporation of India. The contribution to the said fund is charged to the Profit & Loss Account, on accrual.
- c) Provision for Leave encashment cost is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary, and is charged to Profit & Loss Account, on accrual.

L. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. Interest on Bank Borrowings and other short term and long term borrowings is recognised as an expense in the year in which they are incurred.

M. Income Taxes:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred tax reflect the effect in the current period of timing differences originating and reversing between taxable income and accounting income for the period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case of unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

N. Impairment of Assets:

Impairment of an asset is reviewed and recognized in the events of changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment.

O. Contingencies:

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure for Contingent Liabilities is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

P. Earnings per Share:

Earnings per Share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Q. Segment Reporting:

Segments are identified in line with AS 17 "Segment Reporting" and segment information, if any required in accordance there with, is disclosed accordingly.

R. Research and Development:

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as part of fixed assets.

Note No. 3: Share Capital**(₹ in Lakhs)**

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Number of Shares	Amount	Number of Shares	Amount
Authorised 200,000,000 Equity Shares of ₹1/- each (Previous Year 200,000,000 Equity Shares of ₹1/- each)	200,000,000	2,000.00	200,000,000	2,000.00
Issued,Subscribed & Paid up * 155,911,508 Equity Shares of ₹1/- each (Previous Year 148,981,570 Equity Shares of ₹1/-each)	155,911,508	1,559.12	148,981,570	1,489.82
Total	155,911,508	1,559.12	148,981,570	1,489.82

- a) Reconciliation of Share Capital**
- | | No. of Shares | Amount ₹ |
|---|----------------------|-----------------|
| Share Capital at the beginning of the year (Equity Shares of ₹1/- each) | 148,981,570 | 148,981,570 |
| Add: Bonus Shares Issued during the year (Equity Shares of ₹1/- each) | 6,929,938 | 6,929,938 |
| Share Capital at the end of the year (Equity Shares of ₹1/- each) | 155,911,508 | 155,911,508 |
- b) Rights, Preferences and Restrictions attached to equity shares**
- “The Company has only one class of equity shares having a par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.”

c) Shares in the Company held by the Holding Company and Other Share holders holding more than 5%

Particulars	As at 31 st March 2014			As at 31 st March 2013		
	% of share holding	Number of Shares held	₹ in Lakhs	% of share holding	Number of Shares held	₹ in Lakhs
Share Capital						
KLR Products Limited Holding Company	72.88%	113,623,500	1,136.24	76.27%	113,623,500	1,136.24

- *d)** In compliance with clause 40A of the Listing Agreement read with relevant Securities & Exchange Board of India's (SEBI) circulars with regard to Minimum Public Shareholding in a listed entity, pursuant to the approval by the Shareholders in the Extra-ordinary General Meeting held on 22nd May, 2013, the Company has allotted 69,29,938 Equity Shares of ₹1/- each on 03rd June, 2013 as Bonus shares by way of capitalisation of Securities Premium Account, to Public Shareholders only (to the exclusion of Promoter Shareholders).

Note No. 4: Reserves & Surplus**(₹ in Lakhs)**

Particulars		As at 31st March 2014	As at 31st March 2013
a. Capital Reserve			
Opening Balance		20.94	20.94
Share of Profit from Associate Company		16.12	-
Utilised		-	-
Closing Balance	Sub Total (a)	37.06	20.94
b. Securities Premium Account			
Opening Balance		247.84	247.84
Add : Securities Premium Credited on Share issue		-	-
Less : Utilised for issue of Bonus Shares (Ref. Note 3(d))		69.30	-
Closing Balance	Sub Total (b)	178.54	247.84

(₹ in Lakhs)

Particulars	As at 31 st March 2014	As at 31 st March 2013
c. General Reserve		
Opening Balance	4,175.00	4,175.00
Add: Transferred from surplus	-	-
Deductions during the year	-	-
Closing Balance	4,175.00	4,175.00
d. Surplus		
Opening balance	13,536.06	14,803.13
Add: Net Profit/(Net Loss) For the current year	(2,051.84)	(1,267.07)
Amount available for appropriations	-	-
Less: Interim Dividends	-	-
Less: Final Dividends	-	-
Transferred to General Reserve	-	-
Closing Balance	11,484.23	13,536.06
TOTAL (a to d)	15,874.83	17,979.84

Note No. 5: Long-Term Borrowings

Particulars	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2014	As at 31 st March 2013
Long-Term Borrowings				
Secured:				
(a) Term Loans from (Refer Note No.a to e)				
- Banks (Rupee Loans)	3,591.64	2,986.63	2,471.67	2,209.73
- Other Parties.	-	-	-	-
Un Secured:				
(b) Deferred Payment Liabilities (Refer Note No.f (i)&(ii))	230.79	320.27	68.46	59.56
TOTAL	3,822.43	3,306.90	2,540.13	2,269.29

Notes :

- a) The Term Loan availed from IDBI Bank Ltd is secured by way of equitable mortgage by deposit of title deeds of the Company's immovable properties both present and future and by way of first charge on all fixed assets of the Company as a primary security and hypothecation of movable properties of the Company ranking pari passu with other term loan lenders and are further secured by a second charge on the current assets of the Company consisting of stock in trade, book debts, stores and spares.
- b) Term Loan availed from State Bank of India are secured by way of first charge on fixed assets of the Company and First charge on entire current assets to be shared with other working capital lenders under Multiple Banking Arrangement and second charge on fixed assets of the Company along with other working capital lenders.
- c) Working Capital Term Loans availed from New India Co-operative Bank Ltd are secured by way of first charge on fixed assets of the Company including Plant & Machinery and other movable assets on pari passu basis with other term loan lenders.
- d) Working capital loans from State Bank of India, outstanding at ₹2680.46 lakhs included in Term Loans from Banks above, are guaranteed by Sri K.S. Raju, a Director of the Company.

e) Terms of repayments are given below: (₹ in Lakhs)

Bank / Institution	Rate of Interest %	Balance as on 31.03.2014	Number of Instalments	Frequency	Commencing from
IDBI Bank Ltd.	BBR+ 4.25	833.33	54	Monthly	Jan-11
State Bank of India	BASE+ 3.75	1,671.04	12	Quarterly	Jan-13
State Bank of India	BASE+ 3.75	1,009.42	1	Yearly	Feb-14
New-India Co-operative Bank Ltd.	11.00%	488.23	5	Yearly	Mar-11
New-India Co-operative Bank Ltd.	13.00%	758.28	4	Half Yearly	Sep-12
New-India Co-operative Bank Ltd.	12.25%	505.21	4	Half Yearly	May-13
New-India Co-operative Bank Ltd.	12.50%	851.41	4	Half Yearly	Mar-14
Total		6,116.92			

f) Deferred payment liabilities

- i) Sales Tax Deferment: Vide order No.10/1/5/0564/0696 dated 26th April, 1995 the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Monocrotophos for a period of ten years commencing from 1.7.1994; subject to a maximum of ₹1330.27 Lakhs. Based on the Sales Tax Returns, the sales tax so deferred aggregates net of repayments to ₹18.65 Lakhs as at the balance sheet date. (Previous Year ₹78.21 Lakhs). The repayment of deferred Sales Tax has commenced from July, 2004 as prescribed in the said order, the last instalment of which falls due in June 2014.
- ii) Further vide Revised order No.10/1/9/0023/0387/ID, dated 31.01.2001, the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Acephate and Profenofos for a period of fourteen years commencing from 28.09.1997 for Acephate and from 23.02.2000 for Profenofos, subject to a maximum of ₹1028.55 Lakhs. The Sales Tax deferred in a year is payable at the end of 14th year without interest. Since financial year 2006-07, the Company has decided not to avail the Sales Tax deferment. First repayment commenced from 25.09.2013 as prescribed in the order. Based on the Sales Tax Returns, the sales tax so deferred aggregates to ₹280.61 Lakhs as at the balance sheet date. (Previous Year ₹301.62 Lakhs).

Note No. 6: Deferred Tax Liabilities (Net)**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
a. Deferred tax liability comprises of following:		
Fixed Assets-(Depreciation)	2,264.97	3,149.83
Others	-	-
TOTAL (a)	2,264.97	3,149.83
b. Deferred tax Assets comprises of following:		
Disallowances as per Section 43B and Section 40(a) of the Income Tax Act, 1961	46.67	34.57
Unabsorbed depreciation	283.83	963.95
Others	-	-
TOTAL (b)	330.50	998.52
TOTAL NET (a-b)	1,934.47	2,151.31

Note No. 7: Other Long Term Liabilities**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Trade Deposits from Dealers	1,150.57	1,012.27
Others	-	-
Trade Payables (More than 1 Year)	-	-
TOTAL	1,150.57	1,012.27

Note No.8: Long Term Provisions**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Provision for Employee Benefits		
Leave Encashment (un-funded)	141.17	104.42
TOTAL	141.17	104.42

Note No.9: Short-Term Borrowings**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(i) Short -term borrowings:		
Secured:		
(a) Loans Repayable on Demand from Banks.*	15,569.07	12,144.66
TOTAL	15,569.07	12,144.66

* Loans Repayable on Demand from Banks (along with Non Fund Based Limits of Letters of Credit and Bank Guarantees) from State Bank of India, IDBI Bank Ltd & HDFC Bank Ltd are secured by way of hypothecation of current assets comprising stock in trade, book debts and stores and spares, both present and future. The aforesaid facilities are further secured by second charge on the Company's immovable and hypothecation of movable properties, both present and future, ranking pari passu with the term loans. The above are also guaranteed by Sri K.S.Raju, a director of the Company.

Note No.10: Trade Payables**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Trade Payables (Refer Note No. a)	12,184.85	12,654.24
TOTAL	12,184.85	12,654.24

Note:

- a) The Company has not received confirmations for the current year about the status under The Micro, Small and Medium Enterprises Development Act, 2006, from various creditors, consequent to which, the classification of dues to such Enterprises can not be compiled as at the Balance Sheet date.

Note No. 11: Other Current Liabilities**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Secured		
Current maturities of long term borrowings (Refer Note No.5 (a to d))	2,471.67	2,209.73
Interest accrued but not due (Refer Note No.5 (a to d))	40.24	1.27
Interest accrued and due (Refer Note No.5 (a to d))	53.61	44.89
(b) Unsecured:		
Capital Creditors	1,047.00	472.15
Un claimed Dividends (Refer Note No.a)	79.69	93.06
Advances from customers-Domestic	1,475.55	1,234.68
Provident fund	35.44	29.50
Other Liabilities	429.77	588.28
Deferred payment liabilities.(Refer Notes 5 No. f (i) & (ii))	68.46	59.56
Total	5,701.43	4,733.12

Note:

- (a) As at the date of this Balance Sheet, there are no amounts of Unclaimed Dividends due for remittance to the Investor Education & Protection Fund.

Note No.12: Short Term Provisions**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Provision for employee benefits		
Gratuity Premium accrued but not due to the fund	124.20	40.12
Leave Encashment (unfunded)	2.67	2.13
(b) Provision for Taxes		
Income Tax	-	-
Wealth Tax	0.57	1.00
Proposed Equity Dividend	-	-
Corporate Dividend Tax	-	-
(c) Other Provisions	4,010.21	4,379.15
TOTAL	4,137.65	4,422.40

Note No.13: Fixed Assets

(₹ in Lakhs)

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	Balance as at 01 st April 2013	Additions	Sales / adjustments	Balance as at 31 st March 2014	As at 1 st April 2013	for the year	Sales / adjustments	Balance as at 31 st March 2014
a								
Tangible Assets								
Land	722.06	-	280.46	441.60	-	-	-	441.60
Buildings	4,288.09	529.19	-	4,817.27	988.90	132.43	-	3,695.94
Plant and Equipment	25,702.29	5,545.36	3,154.31	28,093.34	13,582.50	1,945.45	482.80	13,048.19
Furniture and Fixtures	583.28	2.29	-	585.57	109.64	34.63	-	441.30
Vehicles	277.79	0.07	50.07	227.79	115.57	23.90	19.82	108.14
Office Equipment	186.30	25.94	1.92	210.32	54.52	12.13	0.06	143.73
Computers & Peripherals	416.93	52.67	9.06	469.54	274.71	51.72	5.84	139.95
Total	32,176.73	6,155.52	3,495.82	34,836.43	15,125.84	2,200.26	508.52	18,018.85
Less : Depreciation Capitalised during the year						67.45		
Depreciation taken to Statement of Profit and Loss						2,132.81		
Note No.14								
b								
Intangible Assets								
Goodwill	121.40			121.40	121.40	-		-
SAP Upgradation licence / Implementation fee	255.09	28.60		283.70	92.18	54.40		137.12
R&D Projects	-	80.32		80.32	-	0.07		80.25
Technical Knowhow	65.00			65.00	64.05	0.95		-
Total	441.49	108.92	-	550.42	277.63	55.42	-	217.37
Note No.15								
c								
Capital Work In Progress	-			-	-	-		1,643.59
d								
Intangible Assets under development	-			-	-	-		154.53
Total	-	-	-	-	-	-	-	1,798.12
Total	32,618.23	6,264.44	3,495.82	35,386.85	15,403.47	2,188.23	508.52	20,034.34
Previous Year	33,561.35	2,005.93	2,949.05	32,618.23	14,395.71	2,528.52	1,520.84	18,306.69
								20,777.67

Note No.16: Non Current Investments**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Un-quoted - Non Trade		
Equity Instruments		
a) Associate :		
- Nasense Labs Pvt.Ltd., (Formerly USP Organics Pvt. Ltd.) (49,36,052 Equity shares of ₹10/- each, Previous year 35,00,000)	493.61	350.00
Add : Share of Profit for the current year	69.99	
Add : Share of Profit of previous years	16.12	
Net value of Investment	579.72	
b) Others :		
- Shubho-Tech Private Limited (3,30,234 10% Cumulative Redeemable Preference Shares of ₹100/- each, Previous year Nil)	330.23	-
- New India Co-Operative Bank Ltd (50,000 Equity Shares of ₹10/- each, Previous year 50,000)	5.00	5.00
TOTAL (Aggregate amount of Un-quoted Investments)	914.95	355.00

Note No.17: Long Term Loans and Advances**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Unsecured considered good		
Loan to an Associate Company - Nasense Labs Pvt.Ltd.,	167.00	250.00
Other Loans and Advances		
Income Tax (Net of provisions) - Advance / Paid under Protest	700.10	755.23
Prepaid Expenses	7.80	7.72
Deposits with Government, Public Bodies and Others	12.67	4.48
Electricity and Other Deposits	199.52	199.52
Balance with Customs, Central Excise etc.,	23.22	22.72
Rental and Other Deposits	119.23	115.33
Telephone Deposit	1.28	1.35
TOTAL	1,230.82	1,356.35

Note No.18: Inventories**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(Refer Note No.2 G)		
Raw Materials	7,103.62	5,902.44
Work-in-Progress	633.23	1,211.47
Finished Goods	7,388.35	8,227.93
Stock in Trade	1,263.03	1,026.07
Packing Materials	700.57	527.86
Stores and Spares	541.70	365.68
TOTAL	17,630.50	17,261.45

Note No.19: Trade Receivables**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Unsecured and considered good :		
Due for a period more than six months	2,009.72	1,310.53
Others	13,996.93	15,100.97
TOTAL	16,006.65	16,411.50

Note No.20: Cash and Cash Equivalents**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Cash on hand	7.29	12.64
(b) Balances with Banks*		
1) In Current Accounts		
- Rupee Accounts	1,543.67	2,134.65
- Foreign Currency Accounts	64.03	0.87
2) Earmarked accounts - Unclaimed Dividend	79.69	93.05
3) Bank Deposits with more than 12months maturity	1.00	1.00
TOTAL:	1,695.68	2,242.21

Note No.21: Short Term Loans and Advances**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Unsecured and considered good :		
Advance Income Taxes & TDS (Net of Provisions)	5.35	6.43
Prepaid Expenses	104.26	127.32
Loans and Advances to Employees	4.34	2.43
Balance with Customs, Central Excise etc.,	833.72	511.38
Capital Advances	411.00	466.86
Advance to Material Suppliers and Others	698.47	584.98
Trade Advance to Related Parties (Refer Note No.42 B)	489.73	409.51
TOTAL	2,546.87	2,108.91

Note No. 22: Other Current Assets**(₹ in Lakhs)**

Particulars	As at 31 st March 2014	As at 31 st March 2013
Interest Accrued on Deposits & Others	87.65	84.99
Insurance Claims Receivable	1,928.13	1,871.88
TOTAL	2,015.78	1,956.87

Note No. 23: Revenue From Operation**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
(a) Sale of products;		
- Agri Inputs	73,239.52	67,837.82
- Power	189.37	420.01
(b) Other Operating Revenues;		
- Conversion Charges	489.34	364.33
- Income from Operations	23.76	86.51
- Other Operating Income	118.53	55.41
Less:		
Excise Duty & VAT	10,476.15	8,706.36
TOTAL	63,584.37	60,057.72

Note No. 24: Other Income**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
(a) Interest Income	55.20	166.80
(b) Other Non-Operating Income		
- Excess Provisions Written Back	466.00	269.63
- Profit on Sale of Fixed Assets	0.66	0.74
- Bad Debts written off Recovered	52.59	63.35
- Dividends Received on Investments	0.50	1.30
- Others	1,358.55	1,318.04
TOTAL	1,933.50	1,819.86

Note No. 25: Cost of Materials Consumed**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
Raw-Material Consumption	35,143.97	35,256.33
Packing-Material Consumption	3,634.52	3,400.92
TOTAL	38,778.49	38,657.25

Note No. 26: Changes in Inventories of Finished Goods, Work-in- Progress and Stock-in-Trade**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
Opening Work-in-Progress	1,211.47	1,140.95
Opening Finished Goods	8,227.93	8,536.55
TOTAL	9,439.40	9,677.50
Closing Work-in-Progress	633.23	1,211.47
Closing Finished Goods	7,388.35	8,227.93
TOTAL	8,021.58	9,439.40
Adjustment for Excise Duty on Stock.	-	-
Net (increase)/decrease in stock	1,417.82	238.10

Note No. 27: Employee Benefits Expenses**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
Salaries, Wages and Bonus	3,763.34	3,502.56
Contribution to Provident and Other Funds	213.50	194.32
Workmen and Staff Welfare Expenses	363.64	274.27
TOTAL	4,340.48	3,971.15

Note No. 28: Finance Costs**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
(a) Interest Expense		
(i) Interest on Term Loans	664.62	845.18
(ii) Interest on Working Capital Loans	1,023.93	1,193.32
(iii) Interest - Others	750.06	739.09
(iv) Bank Charges	175.90	112.05
(v) Financial Charges	185.18	181.18
TOTAL	2,799.69	3,070.82

Note No. 29: Depreciation and Amortization Expense**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
(Refer Note No. 13 to15)		
Tangible Assets	2,132.81	2,507.59
Intangible Assets	55.42	20.93
TOTAL	2,188.23	2,528.52

Note No. 30: Other Expenses**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
Consumption of Stores and Spare Parts	530.49	690.59
Repairs and Maintenance		
- Buildings	34.97	25.77
- Plant & Machinery	41.65	16.59
- Others	66.26	54.38
Other Manufacturing Costs	1,561.19	1,098.19
Power and Fuel	3,084.61	2,071.42
Rent	262.44	248.68
Rates and Taxes, Excluding, Taxes on Income	30.95	43.67
Communication Expenses	103.43	92.94
Travel & Conveyance	919.96	842.12
Technical Consultancy	140.91	84.42
Legal & Professional Charges	176.45	218.38
Insurance	197.07	108.90
Directors' Sitting Fees	4.60	5.20
Auditors' Remuneration		
- Audit Fee	15.25	15.25
- Taxation Matters	3.00	3.00
- Certification Fees	6.75	3.00
- Out of Pocket Expenses	0.26	1.60
Cost Audit fee	3.00	3.00
S.A.P. Annual Maintenance	32.72	24.34
R&D and Product Development Expenses	7.22	59.06
Miscellaneous Expenses	575.25	506.44
Foreign Exchange Fluctuation (Net of Gain of ₹3,88,98,916)	238.46	225.15
Loss on Sale / Retirement of Fixed Assets	17.78	3.42
Bad Debts Written Off	140.72	229.27
Marketing Expenses	2,514.36	1,705.29
Freight Outward	1,224.04	1,294.46
Export and Export Related Expenses	433.84	258.40
TOTAL	12,367.63	9,932.93
DUTIES AND TAXES		
Excise Duty	7,533.21	6,482.49
Less : Adjusted to Turnover	7,708.49	6,448.53
TOTAL	(175.28)	33.96
TOTAL	12,192.35	9,966.89

31. Commitments / Contingent Liabilities

(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2014 ₹ in Lakhs	As at 31.03.2013 ₹ in Lakhs
a.	Commitments/ Contingent Liabilities		
(i)	Letters of Credit	6,797.91	4,119.62
(ii)	Counter Guarantees	414.01	451.09
b.	Claims against the Company not acknowledged as debts in respect of		
(i)	Disputed Excise Duty, Service Tax Demands (Net of payments made under protest ₹9.11 Lakhs)	23.41	27.96
(ii)	Disputed Income Tax Demands (Net of payments made under protest ₹430.40 Lakhs)	-	-
(iii)	Disputed Sales Tax Demands (Net of payments made under protest ₹8.51 Lakhs)	-	-
c.	Others	239.73	244.71
d.	Estimated amount of contracts, remaining to be executed on Capital account and not provided for (Net of advance)	1,453.09	899.59

- 32.** The Company has prepared consolidated financial statements by incorporating the financial statements of its wholly owned subsidiary L.R. Research Laboratories Pvt. Ltd. with its financial statements on line by line basis.

There are no operations in the wholly owned subsidiary namely Nagarjuna Agrichem (Australia) Pty. Ltd and hence, there is no consolidation of Statement of Profit and Loss in respect of the same.

The investments of the company in Nasense Labs Private Ltd., an Associate Company, have been accounted for in these consolidated statements under the Equity Method in accordance with AS 23 – “Accounting for Investments in Associates”

33. INFORMATION PURSUANT TO SECTION 211 OF THE COMPANIES ACT, 1956**STATEMENT OF FINANCIAL INFORMATION OF THE SUBSIDIARY COMPANIES FOR THE PERIOD ENDED 31.03.2014 :**

Sl. No.	Particulars of the Subsidiary	Name of the Subsidiary	
		LR Research Laboratories Pvt. Ltd.	Nagarjuna Agrichem (Australia) Pty Limited
1.	Financial period of the Subsidiary	01.04.2013 to 31.03.2014	01.04.2013 to 31.03.2014
2.	Shares of the Subsidiary held by the Company on the above date	10000	100
	(a) Number of shares	10000	100
	(b) Face value	Equity shares of ₹10/-each	Equity shares of AUS \$1/-each
	(c) Holding in percentage	100%	100%
3.	Net Aggregate amount of profit / losses of the Subsidiary for the above financial period of the subsidiary so far they concern Members of the Company:		
	(a) dealt with in the accounts of the Company for the period ended 31 st March, 2014 (previous year ended 31 st March, 2013)	(0.25)	-
	(b) not dealt with in the accounts of the Company for the period ended 31 st March, 2014 (previous year ended 31 st March, 2013)	NIL	NIL
4.	Net aggregate amount of Profit / losses of the subsidiary since it became a subsidiary so far as they concern Members of the Company.		
	(a) dealt with in the accounts of the Company for the period ended 31 st March, 2014 (previous year ended 31 st March, 2013)	(0.25)	-
	(b) not dealt with in the accounts of the Company for the period ended 31 st March, 2014 (previous year ended 31 st March, 2013)	NIL	NIL

34. THE DETAILS OF THE SUBSIDIARIES IN TERMS OF GENERAL CIRCULAR 2/2011 DATED 08TH FEBRUARY, 2011 ISSUED BY THE GOVERNMENT OF INDIA, MINISTRY OF CORPORATE AFFAIRS FOR THE PERIOD 31.03.2014 IS AS UNDER:

(₹ in Lakhs)

Sl.No.	Particulars of the Subsidiary	Name of the Subsidiary	
		LR Research Laboratories Private Limited	Nagarjuna Agrichem (Australia) Pty Limited
1.	Share Capital	1.00	0.05
2.	Reserves and Surplus	(0.72)	-
3.	Total Assets	1.00	0.05
4.	Total Liabilities	1.00	0.05
5.	Details of Investments	-	-
6.	Turnover and Other Income	-	-
7.	Profit / Losses Before Taxation	(0.25)	-
8.	Provisions for Taxation	-	-
9.	Profit / Losses After Taxation	(0.25)	-
10.	Proposed Dividend	-	-

35.

A. Raw Material Consumed:

Particulars	2013-14	2012-13
	Value ₹ in Lakhs	Value ₹ in Lakhs
Raw Material *	35,143.97	35,256.33
TOTAL	35,143.97	35,256.33

* Note: There is no individual item of raw material consumed exceeding 10% of the total raw material consumed.

B. Value of Raw Material Consumed (Imported & Indigenous):

Particulars	2013-14		2012-13	
	₹ in Lakhs	%	₹ in Lakhs	%
Imported	12,271.42	34.92	9,927.52	28.16
Indigenous	22,872.55	65.08	25,328.81	71.84
TOTAL	35,143.97	100.00	35,256.33	100.00

C. Value of Stores and Spares consumed (Imported & Indigenous):

Particulars	2013-14		2012-13	
	₹ in Lakhs	%	₹ in Lakhs	%
Indigenous	360.78	100	390.59	100
Imported	-	-	-	-

D. Value of Imports Calculated on CIF Basis:

₹ in Lakhs

Particulars	2013-14	2012-13
Raw Material	13,296.37	11,264.12
Capital Goods	360.02	14.29

E. Expenditure in Foreign Currency:

₹ in Lakhs

Particulars	2013-14	2012-13
Travelling Expenses	22.21	8.01
Consultancy Charges	58.27	6.09
Others including Commission	77.13	52.31

F. Earnings in Foreign Exchange:

₹ in Lakhs

Particulars	2013-14	2012-13
Export of Goods on FOB Basis	9,204.86	12,009.29

36. Foreign Exchange Fluctuations:

Foreign Exchange gain/ (loss)	2013-14 ₹in Lakhs	2012-13 ₹in Lakhs
On Exports – adjusted to Export Sales	352.09	350.76
On Imports – adjusted to Consumption of Raw Materials	(472.04)	(470.64)
On Loans & Others shown under Finance Cost (b) Exchange Fluctuation on Foreign Currency Transactions	(118.51)	(105.27)
Net Foreign Exchange (debited)/ Credited to Profit & Loss	(238.46)	(225.15)

37. Payments to Auditors:

Sl.No.	Particulars	2013-14 ₹in Lakhs	2012-13 ₹in Lakhs
1.	Statutory Audit *	15.25	15.25
2.	Tax Audit *	3.00	3.00
3.	Certification *	3.00	3.00
4.	Out of Pocket Expenses	1.66	1.60
	TOTAL	22.91	22.85

* Service Tax which is being claimed for set-off as input credit has not been included in the expenditure above.

38. Expenditure on Research & Development:

Particulars	2013-14 ₹in Lakh	2012-13 ₹in Lakhs
(A) Revenue Expenditure Capitalized during the year from respective heads :		
- Salaries & Wages	55.10	-
- Contribution to PF etc.	3.38	-
- Staff Welfare Expenses	5.19	-
- Chemicals Consumption	28.17	-
- Travel & Conveyance	9.88	-
- Communication	0.22	-
- Consultancy Charges	3.26	-
- Depreciation	67.45	-
- Repairs	8.96	-
- Electricity	23.08	-
- Other Expenses	30.15	-
Total (A)	234.84	
(B) Capital Expenditure	131.47	
Total Capital Expenditure (A) + (B)	366.31	1245.76
(C) Other Revenue Expenditure	138.31	103.14

39. Borrowing Cost:

Borrowing cost incurred during the year for acquisition of assets aggregated to ₹254.51 Lakhs (Previous year ₹13.05Lakhs).

40. There was a fire incident on 30.06.2012 in Block-5 of the Company's Srikakulam plant. The Company had made a provisional assessment of the loss in the said incident and as per the terms of the insurance policy and duly lodged provisional claims with the Insurance Company covering the totally damaged assets, partially damaged assets, damaged inventories and other covered risks.

Accordingly in the books of account, the gross block value of the totally damaged assets aggregating to ₹29.05 crores, was de-capitalised and its written down value of ₹14.16 crores was included under “claim receivable” from the Insurance Company in the financial statement for the year ended 31.03.2013 and continues as such as on 31.03.2014.

Pending completion of the final assessment of damage to the partially damaged assets, the value if any to be decapitalised therefrom, continues to be included in the gross block as on 31.03.2014. On completion of the final assessment, appropriate treatment in the books of account will be made to the value of these assets.

The estimated value of the damaged inventories and other claims aggregating to ₹4.56 crores was also included under “claim receivable” from the Insurance Company in the financial statements for the year ended 31.03.2013 and continues as such as on 31.03.2014.

The provisional claims made with the Insurance Company continue to be under process as at 31.03.2014. The Regional Claims Committee of the Insurance Company, has recommended for approval of its head office, for an on account interim payment towards the Company’s claims.

Necessary adjustments in the accounts and the financial impact if any in respect of the aforesaid will be made on completion of final assessment.

41. In compliance with clause 40A of the Listing Agreement read with relevant Securities & Exchange Board of India’s (SEBI) circulars with regard to Minimum Public Shareholding in a listed entity, pursuant to the approval by the Shareholders in the Extra-ordinary General Meeting held on 22nd May, 2013, the Company has allotted 69,29,938 Equity Shares of ₹1/- each on 03rd June, 2013 as Bonus shares by way of capitalisation of Securities Premium Account, to Public Shareholders only (to the exclusion of Promoter Shareholders).

42. Related Party Transactions:

A. Names of related parties and description of relationship:

Sl. No.	Relationship	Party
1.	Subsidiary Company	Nagarjuna Agrichem (Australia) Pty Limited, Australia, LR Research Laboratories Pvt. Ltd.
2.	Holding Company	KLR Products Limited (Formerly GSR Products Limited)
3.	Associate	Nasense Labs Pvt.Ltd. (Formerly USP Organics Pvt. Ltd.)
4.	Key Management Personnel (KMP)	Mr.V.Vijay Shankar, Managing Director
5.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Indo International Fertilizers Ltd. Shubho-Tech Pvt. Ltd.
6.	a) Individuals who, indirectly have control on the voting power in the Company.	Mrs.K.Lakshmi Raju, Director
	b) Relatives of (a) above	Mr.K.S.Raju (Father)
7.	Enterprises under the significant influence of persons having significant influence over this company	Nagarjuna Fertilizers & Chemicals Ltd. Bhagiradha Chemicals & Industries Ltd.

B. Related Party transactions are as under:

Sl. No.	Transaction	Associates		Key Management Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Individuals who, indirectly have control on the voting power in the company		Enterprises under the significant influence of persons having significant influence over this company	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
A) TRANSACTIONS DURING THE YEAR											
1.	Sales (incl. Capital)	-	-	-	-	-	-	-	-	-	412.81
2.	Purchases (incl Capital)	-	-	-	-	-	-	-	-	983.32	2,132.33
3.	Conversion charges (Indo International Fertilisers Ltd.)	-	-	-	-	425.82	272.01	-	-	-	-
4.	Building , Equipment & Godown rents -Expense	-	-	-	-	-	-	116.03	110.57	0.98	6.36
5.	Godown rent-Income	-	-	-	-	-	-	-	-	5.40	6.00
6.	Managerial Remuneration	-	-	66.61	68.55	-	-	-	-	-	-
7.	Advance payments	-	-	-	-	-	112.63	-	-	-	-
8.	Investments	143.61	-	-	-	330.23	-	-	-	-	-
B) BALANCE AS AT 31 st MARCH											
9.	Credit balances outstanding as 31 st March	2.36	2.36	-	-	-	-	-	-	226.78	772.71
10.	i)Trade Debit balances outstanding as on 31 st March	87.71	87.71	-	-	489.73	409.51	-	-	-	-
	ii) Debit balances (Unsecured Loan) outstanding as on 31 st March	194.63	310.61								

43. Exceptional Item comprises Loss on Sale of Wind Mill Undertaking.

44. Minimum remuneration, in accordance with the provisions of Schedule XIII to the Companies Act, 1956, has been paid to the Managing Director, in the absence of profits for the year.

45. Earnings per Share : The computation of EPS is as follows**(₹ in Lakhs)**

S.No.	Particulars	2013-14	2012-13
a)	Profit/(Loss) after Tax (₹in Lakhs) (There are no Extraordinary items)	(2052)	(1267)
b)	Earnings Available to Equity Shareholders (₹in Lakhs)	(2052)	(1267)
c)	Weighted average No. of Shares taken for computing EPS		
	- Basic	155,911,508	155,911,508
	- Diluted of par value of ₹1/-	155,911,508	155,911,508
d)	Earnings per Share (₹) (b/c)		
	- Basic	(1.32)	(0.81)
	- Diluted	(1.32)	(0.81)

46. Employee Benefit Obligations**A. Defined Contribution Plan:**

The Company makes Provident Fund contribution to defined contribution retirement benefit plan for qualifying employees. Under the scheme the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Contribution to defined contribution plan is recognized and charged off for the year as follows: **(₹ in Lakhs)**

Particulars	FY 2013-14	FY 2012-13
Employer's Contribution to Provident Fund	123.10	104.14
Employer's Contribution to Pension Scheme	67.27	68.37

B. Defined Benefit Plan:

Liability for retiring gratuity as on March 31, 2014 is ₹416.21 Lakhs (as on March 31, 2013 – ₹319.33 Lakhs) of which ₹292.00 Lakhs (as on March 31, 2013- ₹279.21 Lakhs) is funded with Life Insurance Corporation of India the balance is included in provision for Gratuity. Liability for Gratuity has been actuarially determined and provided in the books. The details of the Company's post-retirement benefit plans for its employees are given below which is certified by the actuary.

(₹ in Lakhs)

Sl. No.	Particulars	31.03.2014	31.03.2013
1.	Acturial Assumptions		
	Discount Rate	8%	8%
	Salary Escalation	4%	4%
	Attrition Rate	1-3%	1-3%
	Mortality Table	LIC (1994-96)	LIC (1994-96)
	Retirement Age	58 Years	58 Years
2.	Table Showing changes in present value of Obligation as on 31/03/2014		
	Present value of obligations as at beginning of year	206.96	160.05
	Interest Cost	16.56	12.80
	Current Service Cost	36.60	32.27
	Benefits Paid	(19.27)	(20.31)
	Actuarial (gain)/ loss on obligations	(2.36)	22.15
	Present value of obligations as at end of year	238.50	206.96
3.	Table showing changes in the fair value of plan assets as on 31/03/2014		
	Fair value of plan assets at beginning of year	279.21	249.19
	Expected return on plan assets	24.08	23.94
	Contributions	7.98	26.40
	Benefits Paid	(19.27)	(20.31)
	Actuarial gain/(loss) on Plan assets	-	-
	Fair value of plan assets at the end of year	292.01	279.21

4. Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	279.21	249.19
Actual return on plan assets	24.08	23.94
Contributions	7.98	26.40
Benefits Paid	(19.27)	(20.31)
Fair value of plan assets at the end of year	292.01	279.21
Funded status	53.51	72.25
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March)	-	-
5. Actuarial Gain/Loss recognized		
Actuarial (gain)/ loss on obligations	2.36	(22.15)
Actuarial (gain)/ loss for the year - plan assets	-	-
Actuarial (gain)/ loss on obligations	(2.36)	22.15
Actuarial (gain)/ loss recognized in the year	(2.36)	22.15
6. The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	238.50	206.96
Fair value of plan assets as at the end of the year	292.01	279.21
Funded status	53.51	72.25
Net asset/(liability) recognized in balance sheet	(53.51)	(72.25)
7. Expenses Recognised in statement of Profit and loss		
Current Service Cost	36.60	32.27
Interest Cost	16.56	12.80
Expected Return on Plan Assets	(24.08)	(23.94)
Net Actuarial (gain)/ loss recognized in the year	(2.36)	22.15
Past Service Cost	-	-
Expenses Recognised in Statement of Profit and Loss	26.72	43.28

The obligation of leave encashment is recognized based on actuarial valuation made by an independent actuary at the end of the financial year.

47. Balance of debtors, loans and advances and creditors are subject to reconciliation and confirmation.
48. Figures of the previous year have been re-grouped/recast wherever necessary to conform to the current year's presentation/classification.
49. Figures are rounded off to the nearest thousands.

Signatures to Notes 1 to 49

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

for and on behalf of the Board

V.Raghunandan
Partner

K.S.Raju
Director

V.Vijay Shankar
Managing Director

Place : Hyderabad
Dated : 30th May, 2014

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal



NAGARJUNA AGRICHEM LIMITED

Corporate Identity No.L24219AP1986PLC016607

Registered Office: Plot No.12-A "C" Block, Lakshmi Towers,

No.8-2-248/1/7/78, Nagarjuna Hills, Panjagutta,

Hyderabad-500082, AP. INDIA Tel. No. 040-33605123/124 Fax No. 040-23350234

Email address: investors@nagarjunaagrichem.com Website: www.nagarjunaagrichem.com

Please fill up this Attendance slip and hand it over at the entrance of the Meeting hall. Please also bring your copy of the enclosed annual report.

ATTENDANCE SLIP

I hereby record my presence at the 27th Annual General Meeting of the Company held at 10 a.m. on Saturday, 9th August, 2014 at Surana Udyog Auditorium, M/s Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, P.B No.14, Red Hills, Hyderabad – 500004.

REGD. FOLIO NO/ CLIENT ID

NO.OF SHARES

Name of the Share holder (In block letters)

Note: Member / proxy who wish to attend the Meeting must bring this attendance slip to the Meeting and handover at the entrance at the Meeting hall duly signed .



NAGARJUNA AGRICHEM LIMITED

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PROXY FORM

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No/DP ID - Client ID :

I/We, being the Member (s) of shares of the above named company, hereby appoint

1. Name :

Address :

E-mail Id :

Signature : or failing him

2. Name :

Address :

E-mail Id :

Signature : or failing him

3. Name :

Address :

E-mail Id :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual general Meeting of the Company, to be held on Saturday, the 09th August, 2014 at 10.00 AM at Surana Udyog Auditorium, Federation House, The Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI), Red Hills, Hyderabad -500004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	No. of shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
Ordinary Business:				
1.	To consider, approve and adopt the Audited Profit and Loss Account for the year ended 31 st March, 2014, the Balance Sheet as at that date and the Cash Flow Statement for the year ended on that date and the Reports of Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr.Sudhakar Kudva (DIN 02410695), who retires by rotation and being eligible offers himself for re-appointment.			
3.	Appointment of M/s M.Bhaskara Rao & Co., Chartered Accountants, as Auditors and fix their remuneration			
Special Business:				
4.	To ratify the remuneration of M/s K.Narasimha Murthy & Co., Cost Auditors of the Company.			
5.	To appoint Mr.Raghavender Mateti, as an Independent Director of the Company.			
6.	To appoint Mr.D.Ranga Raju, as an Independent Director of the Company.			
7.	To appoint Mr.K.Raghuraman, as an Independent Director of the Company.			
8.	To appoint Mr.N.Vijayaraghavan, as an Independent Director of the Company.			
9.	To re-appoint Mr.V.Vijay Shankar as Managing Director of the Company for a period of three years w.e.f.11 th May, 2014 to 10 th May, 2017.			
10.	To approve borrowing powers of the Board under Section 180(1)(c) of the Companies Act, 2013			
11.	To approve creation of charge on the Assets of the Company under Section 180(1)(a) of the Companies Act, 2013			

Signed thisday of August, 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix ₹1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

NAGARJUNA AGRICHEM LIMITED

CIN: L24219AP1986PLC016607

ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORM

(Members authorization to receive dividend through ECS mechanism)

1.	Name of the First / Sole Shareholder	
2.	Regd. Folio No/DP ID No. and Client ID No.	
3.	Particulars of Bank Account of First / Sole Shareholder:	
	(a) Name of the Bank	
	(b) Name of the Branch	
	(c) Branch code	
	(d) Address of the Bank	
	(e) Telephone No. of the Branch	
	(f) 9-Digit Code Number of the Bank and Branch as appearing on the MICR Cheque	
	(g) Account Number (as appearing on the Cheque Book / Pass Book)	
	(h) Account Type (S.B. Account / Current or Cash Credit)	
	(i) Ledger No./ Leger Folio No.	
	(j) Effective Date of this Mandate	

I hereby declare that the Particulars / Details given above are correct and complete. If the Transaction is delayed or not effected at all for reasons of incomplete or incorrect information supplied as above, the Company / XL Softech Systems Ltd (RTA) will not be held responsible. I agree to discharge the responsibility expected of me as a participant under the Scheme. I further undertake to inform the Company any change in my Bank/ Branch and Account Number.

Place: _____

Dated: _____

(Signature of First / sole Shareholder)

- 1) Please attach a Blank Cancelled Cheque or Photocopy of a Cheque. Alternatively, these particulars may be attested by the Bank Manager.
- 2) In case of more than one Regd. Folio/Demat Account, please complete the details separately for each such Folio / Demat Account.
- 3) The information provided would be utilized only for the purpose of effecting dividend payments meant for you. You also have the right to withdraw from this mode of payment by providing the Company with one month advance Notice.
- 4) Members of the Company holding the Shares in Dematerialized Form are requested to inform to their respective Depository Participant with regard to the following:
 - (i) Changes in particulars of Bank Mandate / Address / PAN
 - (ii) Correction in Name.These changes as updated by the respective depository participants are automatically registered with the NSDL / CDSL from whom the Company obtains data of its Members.
- 5) Please send the duly filled in mandate Form to:
 - (i) the Depository Participant who is maintaining your Demat Account in case you hold Shares in Dematerialized Form.
 - (ii) the Company, at the Registered Office / its Registrar and Transfer Agent (RTA).

E-COMMUNICATION REGISTRATION FORM

(In terms of Circular no. 17/2011 Dated 21.04.2011 Issued by the Ministry of Corporate Affairs)

To
The Company Secretary & Head-Legal,
Nagarjuna Agrichem Limited,
Regd. Office: Plot no. 12-A, "C" Block, No. 8-2-248/1/7/78, Nagarjuna hills,
Panjagutta, Hyderabad-500082. INDIA.

Dear Sir,

Sub: Registration of E-mail

Folio No. / DP ID & Client ID:
Name of 1st Registered Holder:
Name of Joint Holder(s):
Registered Address:
.....

E-mail ID (to be registered):

I/We Shareholder(s) of Nagarjuna Agrichem Limited agree to receive communication from the Company in Electronic Mode. Please register my above e-mail id in your records for sending communication through E-mail.

Place: _____

Dated: _____

Signature:

- On registration of e-mail, all the communications, including the Annual Reports, will be sent to the said registered mail.
- Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail.

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Nagarjuna Agrichem Limited

CIN : L24219AP1986PLC016607

Regd. Office :

Plot No. 12-A, 'C'-Block, Lakshmi Towers,
Nagarjuna Hills, Punjagutta,
Hyderabad-500 082 (A.P). INDIA.

Ph: +91-40 33605123 / 24 / 25 / 26 & 27

Fax : (00 9140) 23350234 / 23358062

Website : www.nagarjunaagrichem.com

E-mail : info@nagarjunaagrichem.com

