

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of M/s. Nagarjuna Agrichem Limited will be held at 10.00 A.M on Monday, the 28th day of September, 2015 at Surana Udyog Auditorium, M/s. Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, P.B. No.14, Red Hills, Hyderabad – 500004, Telangana State to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31st March, 2015, 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 declare dividend on equity shares for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Mrs. K.Lakshmi Raju (DIN 00545776), who retires by rotation and, being eligible, offers herself for re-appointment.
4. Ratification of Appointment of Statutory Auditors of the Company 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), the Company hereby ratifies the appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants, (Registration No.000459S), as Statutory Auditors of the Company, to hold office from the conclusion of this 28th Annual General Meeting (AGM) till the conclusion of the 29th AGM of the Company to be held in the year 2016 on such remuneration plus service tax, out-of-pocket, travelling and other expenses etc., as may be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS:

5. **To approve and 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 read with 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, 2016, at a remuneration of ₹ 4,25,000/- (Rupees Four Lakhs Twenty Five Thousand 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 approved and ratified.”

6. **Adoption of new set of Articles of Association:**

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made thereunder, the enabling provisions of the articles of association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialed by the Chairman of the meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit to give effect to this resolution.”

7. **To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b), and all other applicable provisions, if any, of the Companies Act, 2013, including the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI Regulations”) as amended, modified or re-enacted from time to time

or any other provisions applicable, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Company be and is hereby accorded to the “Nagarjuna Agrichem Ltd.-Employee Stock Option Scheme-2015” (herein after referred as “ESOS-2015”) and to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted, or any other Committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company in India or out of India, including any Director of the Company, except an employee/Director who is a promoter or belongs to the promoter group and Independent Directors as defined in Companies Act, 2013 and related rules, options exercisable into not more than 11,50,000 equity shares of the Company [“Equity Share(s)”] at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOS-2015 and the applicable laws and regulations.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 11,50,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT the maximum number of securities issued/granted in terms of this resolution, to any single employee (including any Director) during any one year shall be less than one percent of the issued and paid-up equity shares of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect the ESOS-2015 on such terms and conditions as contained in the Explanatory Statement to this Item in the Notice and to make any modification(s), changes, variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS-2015 from time to time including but not limited to, amendment(s) or revision(s) in the terms and conditions of the ESOS-2015 from time to time including but not limited to amendment(s) with respect to vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOS-2015.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT all the lapsed options will be added back to ESOS 2015 pool and the Board be and is hereby authorised to allot these lapsed options to the eligible employees as per the ESOS 2015.”

“RESOLVED FURTHER THAT notwithstanding anything contained anywhere the employees are free to surrender their options voluntarily, if in their opinion, the options granted are not beneficial to them, even before the expiry of their exercise period.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors with a power to further delegate to any executives/officers of the Company and to do all such acts, deed, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

8. To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the Subsidiary Companies, Holding Companies and Associate Companies of the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b), and all other applicable provisions, if any, of the Companies Act, 2013, including the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI Regulations”) as amended, modified or re-enacted from time to time or any other provisions applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted, or any other Committee which

the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), the consent/approval of the members be and is hereby accorded to the Board to extend the benefits of the said ESOS-2015 referred to in the resolution under Item No.7 of this Notice to the benefit of such person(s) who are in permanent employment of the subsidiary Companies, holding Companies, and associate Companies of the Company by way of grant of options exercisable into fully paid up equity shares of ₹ 1/- each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOS-2015 and the applicable laws and regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the ESOS-2015, from time to time or to suspend, withdraw or revise the ESOS-2015 from time to time and settle all questions, queries, difficulties or doubts that may

arise in relation to the implementation of the ESOS-2015 and incur expenses in relation thereto, as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI Regulations and any other applicable laws.”

By Order of the Board

Satish Kumar Subudhi
Company Secretary &
Head-Legal
(ACS 12211)

Date : 07th August, 2015

Place : Hyderabad

Registered Office:

CIN: L24219TG1986PLC016607

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

Ph.040-33605123

e-mail : investors@nagarjunaagrichem.com

Website : www.nagarjunaagrichem.com

Notes:

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

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

2) Explanatory Statement:

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

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

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

4) Book Closure:

The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 21st September, 2015 to Monday, 28th September, 2015 (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 125 of the Companies Act, 2013.

b) Further the Company shall not be in a position to entertain the claims of the Shareholders for the unclaimed dividends which have been transferred to IEPF.

c) In view of the above, the Shareholders are advised to send their requests for payment of unpaid dividend pertaining to the years 2008-09 (final dividend) 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 IEPF.

d) Members may please refer “Corporate Governance Report” (forms part hereof) for details of unclaimed dividend amount credited to IEPF account during the year 2014-15.

6) Members Nomination:

Members are advised to avail themselves of nomination facility as per the Section 72 of the Companies Act, 2013. Facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Further, a Member who desires to cancel the earlier nomination and record fresh nomination, may submit the same in Form No. SH-14. Both the Forms for “Nominations” and “Cancellation or Variation of Nomination can be availed from the RTA or can be downloaded from the Company’s website.

Members holding shares in physical form are requested to submit the forms to the Company's Share Registrars and Transfer Agents(RTA). The members holding shares dematerialized form are requested to file the Nomination / Cancellation or Variation in Nomination forms with their respective Depository in prescribed form.

7) Corporate Members:

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

8) Important Communication to Members:

a) All communications relating to the shares may be addressed to our Share Transfer Agent (RTA) Office i.e.,

M/s XL Softech Systems Limited,
(Unit: Nagarjuna Agrichem Limited)
No.3, Sagar Society, Road No.2,
Banjara Hills, Hyderabad-500034, TS
Telephone No: 040-23545913 /914/915;
Fax No.040-23553214,
e-mail ID:xlfield@gmail.com

Website: www.nagarjunaagrchem.com (where you can find more information about the Company)

b) The Ministry of Corporate Affairs, Government of India has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this Green Initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by submitting the e-mail Registrations Form attached with this Annual Report.

c) 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.

d) 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.

e) 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) Listing Fees:

The Company has paid the Listing Fees for the year 2015-16 to the Stock Exchange, Mumbai where the equity shares of the Company are listed.

10) Members are requested to:

- 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.
- bring their copy of the Annual Report and Attendance Slip with them to the Meeting.
- to bring their DPID and Client ID numbers for easy identification of attendance at the venue of AGM, who hold shares in dematerialized form;
- send their e-mail address to the Company / RTA for prompt communication.
- to quote their Regd. Folio Number/DP and Client ID Numbers in all their correspondence with the Company/RTA.

11) 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.

12) 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.

13) Instructions about Voting:

In terms of Section 108 and other applicable provisions of the Companies Act, 2013 read with the amended Listing Agreement norms and to facilitate the members, the Company is providing both e-voting and physical ballot (by post) modes of voting, besides the polling process to be conducted at the Annual General Meeting venue.

The members are requested to opt for one mode of voting i.e., either through e-voting or physical ballot (by post). If a member cast votes by both modes, then voting done through a valid e-vote shall prevail and voting through physical ballot form of that member shall be treated as invalid. Please refer to the following instructions for both the modes of voting.

A) e-Voting through electronic means:

i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, 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 e-voting period begins on 24-09-2015 (9.00 AM) and ends on 27-09-2015 (5.00 PM). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as of 19-09-2015 (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III) In case 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 19-09-2015.
- 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 Physical Ballot Form:**
- I. A Physical 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 (17:00 hours) on 25th September, 2015. 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 e-voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 19th September, 2015 (“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 (17:00 hours) on 25th September, 2015. Ballot Forms received after 25th September, 2015 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.VII 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 and votes casted during the polling process conducted at Annual General Meeting venue, to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report,

shall be placed on the Company's website www.nagarjunaagrichem.com and be communicated to the Stock Exchanges where the Company's shares are listed, i.e., BSE Ltd.

- III. Members may address any query to Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal, at the Registered Office of the Company, Tel. No.040-33605123/124/125, Fax No. 040-23358062 Email: investors@nagarjunaagrichem.com Website: www.nagarjunaagrichem.com.

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

Item No.5:

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, 2016, 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") read with the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors has to be approved and ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

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

None of the Directors/Key Managerial Personnel of the Company/their relatives 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:

The Company had previously adopted its Articles of Association ("AOA") under the Companies Act, 1956, which contain references to specific Sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013, most of the regulations contained in the Articles of Association of your Company have either become redundant or are not in tune with the provisions of the said Act. Under the Companies Act, 2013, draft Articles (in case of a Company limited by shares) are provided in Table F of Schedule-I thereto.

In view of the aforesaid, it is proposed to replace the existing Articles of Association with a new set of Articles of Association containing regulations in accordance with the provisions of the new Companies Act, 2013 and the rules made thereunder. The draft articles are available for your inspection at the Registered Office of the Company, at any time during the working hours on any working day till the

date of AGM. The same is also placed on the website of the Company.

Pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, any alteration to the Articles of Association of the Company requires prior approval of shareholders by way of special resolution. Hence, The Board commends a Special Resolution set out at Item No. 6 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. 6 of the Notice.

Item No.7 & 8:

To reward and retain Key Managerial Personnel and other Senior Managerial Personnel, and to encourage them to increase their efforts to make the Company's business more successful it is necessary to provide incentive to the employees to remain with the Company and to reward them with the opportunities to have a share in the success of the Company. To achieve this objective, it is proposed to grant an option to the employees to subscribe to the shares of the Company.

Accordingly, the Board of Directors ("the Board") of the Company at its meeting held on 07th August, 2015, has approved introduction of the "Nagarjuna Agrichem Ltd. Employee Stock Option Scheme 2015" (hereinafter referred to as the "ESOS-2015"), subject to the approval of the Members and in compliance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (hereinafter known as "SEBI Regulations") as amended and from time to time. For the limited purpose of extending the options to Key Managerial Personnel (including Managing Director) and Senior Managerial Personnel who are qualified, talented and competent personnel in the Company, Holding Company(ies), Subsidiary Company(ies) and Associate Company(ies), your Company has instituted an Employee Stock Option Scheme-2015 (ESOS-2015) in accordance with the SEBI Regulations and reserved an appropriate number of shares thereunder to allot equity shares against the stock options to be granted to the employees of the Company and it's subsidiaries, holding Companies and associate Companies both in India and abroad.

The Members are informed that the shares being offered under the ESOS-2015 would not exceed 11,50,000 equity

shares of the face value of ₹ 1/- each, subject to increase in the said shares as stated in the above resolutions. Approval of the Members is being sought for issue of stock options to eligible employees of the Company. The ESOS-2015 will be implemented directly by the Company through Board/Committee constituted for the purpose in accordance with the provisions of Companies Act, 2013 and SEBI Regulations.

The salient features of the ESOS-2015 are as follows:

1. Administration:

- 1.1. The Compensation Committee (hereinafter referred as "Committee") duly constituted by the Board of Directors would be entrusted with the responsibility of being the operating agency for administering the ESOS-2015.
- 1.2. The Committee shall be formulating ESOS-2015, from time to time for the benefit of the employees. The Compensation Committee will specify, inter-alia, the following:
 1. The total number of stock options to be granted;
 2. Identification of classes of employees entitled to participate in the ESOS-2015;
 3. The appraisal process for determining the eligibility of employees to the ESOS-2015;
 4. The requirements of vesting and period of vesting;
 5. The maximum period within which the options shall be vested;
 6. The exercise price or the formula for arriving at the same;
 7. The exercise period and process of exercise;
 8. The lock-in period, if any;
 9. The maximum number of options to be granted per employee and in aggregate;
 10. The method which the Company shall use to value its options;
 11. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;
 12. The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and
 13. A statement to the effect that the Company shall comply with the applicable accounting standards.
 14. Any other related or incidental matters.

2. The total number of options to be granted:

The total number of options to be granted under this ESOS-2015 cannot exceed 11,50,000 equity shares of the face value of ₹ 1/- each i.e., 0.73%, of the post issued equity share capital of the Company or such additional quantity as may be required on account of

Corporate Action or acquisition of additional shares in case of increase of capital to maintain the above referred 0.73% of the paid-up capital of the Company. The options which lapse/expire or forfeited will be available for grant to the eligible employees.

One option would be entitle the holders of the options a right to apply for one equity share of face value of ₹ 1/- each of the Company. The option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The Committee has power to choose the quantum of options for each of the eligible employees.

3. Identification of classes of employees entitled to participate in the ESOS-2015:

Employees entitled to participate in the ESOS-2015 are:

- a. Permanent employee of the Company who has been working in India or outside India; or, as may be decided by the Board / Committee.
- b. Directors (Including whole – time Directors) of the Company at any time.
- c. An employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding Company of the Company or of an associate Company.
- d. Such other persons, as may from time to time, be allowed under prevailing laws and regulations and as may be approved by the Board for this purpose.

Above persons are referred herein collectively as the "Eligible Employees"

An employee who is a promoter or belongs to promoter group or a Director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10 percent of the outstanding equity shares of the Company at the time of granting of option shall not be eligible to participate in ESOS-2015. Independent Directors shall not be eligible to receive any stock options.

4. The appraisal process for determining the eligibility of employees to the ESOS-2015:

The process for determining the eligibility criteria for the eligible employees will be specified by the Compensation Committee, and will be based on, such criteria such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential., etc., and such other factors as may be appropriate as may be decided by the Compensation Committee, in its discretion, from time to time.

5. Requirements of vesting, period of vesting and maximum period of vesting:

There shall be a minimum period of one year between the grant of options and vesting of options. The

Vesting of options may be spread over a period of five years after the aforesaid one year from the date of grant. The Committee is empowered to implement and decide the vesting schedule to suit the needs of the organization.

The options may vest in tranches subject to the terms and conditions as may be stipulated by the Committee, which may include satisfactory performance of the Employee/Directors and their continued employment with the Company, as the case may be, unless such employment is discontinued on account of death, permanent/total disability or on retirement.

6. Exercise price or pricing formula:

The Committee is empowered to fix the exercise price considering inter-alia the market price of shares as defined in the SEBI Regulations and the discount to be offered, which is subject to a minimum of face value of the equity shares of the Company.

7. Exercise period and the process of Exercise:

The exercise period shall commence from the date of vesting, and will expire not later than two years from the date of vesting. The options will be exercisable by the Eligible Employees by a written application to the Committee to exercise the options, in such manner, and on execution of such documents, in such manner, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

8. The Lock-in period, if any:

There shall be no lock-in period on shares issued/transferred to employee pursuant to exercise of option.

9. Maximum number of options to be issued per employee and in aggregate:

Maximum number of options to be issued per employee per year shall not exceed 2,00,000 and 11,50,000 in the aggregate.

Maximum quantum of benefits to be issued per employee under the ESOS-2015 shall not exceed 2,00,000 per year.

10. Whether the ESOS-2015 is to be implemented and administered directly by the Company or through a trust:

The ESOS-2015 will be implemented and administered directly by the Company.

11. Whether the ESOS-2015 involves new issue of shares by the Company or secondary acquisition by the trust or both:

The ESOS-2015 involves new issue of shares by the Company.

12. The amount of loan to be provided for implementation of the ESOS-2015 by the Company to the trust, its tenure, utilization, repayment terms, etc: -Not Applicable-

13. Maximum percentage of secondary acquisition (subject to limits specified under the Regulations) that can be made by the trust for the purposes of the ESOS-2015: -Not Applicable-

14. A statement to the effect that the Company shall conform to the accounting policies specified in Regulation. The Company hereby state that it shall confirm to the Accounting policies as specified in Regulation 15 of the SEBI Regulations as may be applicable from time to time.

15. Method of valuing the Options:

The Company will adopt the intrinsic value method to value the options granted under the ESOS-2015.

16. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct:

In case of termination due to misconduct all the options (both vested and unvested) shall lapse.

In case of termination of an employee other than voluntary termination/ resignation/ termination due to misconduct, the Committee is having the right to cancel/withdraw all the options granted (including vested and unvested) to such employee in case in the opinion of the Committee the participant if found to be employed with the competitors of the Company or serving or advising the competitors in any manner.

17. Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

If the employee/Director voluntarily terminates employment with the Company/ subsidiary Company/ holding Company/associate Company or termination due to resignation as per the rules of the Company, the options to the extent not vested shall lapse/expire and be forfeited forthwith. All the vested options shall be exercised with in a period of six months.

In case of termination of an employee other than voluntary termination/ resignation/ termination due to misconduct, the options to the extent not vested shall lapse/expire and be forfeited forthwith. The Committee shall decide at its absolute discretion, the time within which the employee shall exercise the vested options in such case; however in no case such time shall be more than one year from the date of such termination.

18. Disclosure and Accounting Policy and other disclosures:

The Company shall comply with the disclosure and accounting policies prescribed by securities and exchange Board of India (SEBI) and any other appropriate authority, from time to time. The

Company shall also disclose such information in its Directors Report as may be required under applicable laws from time to time.

19. Compliance of Accounting Standards:

The Company shall comply with the accounting standards as may be applicable from time to time.

20. Tax Liability

Any tax liability on account of issue of options/shares shall be that of employee alone.

21. Modifications to the ESOS-2015

Subject to provisions of the Companies Act, 2013 and SEBI Regulations, the Board of Directors reserves the right to change the terms and conditions of the ESOS-2015 at any time, at its discretion; however such changes shall be beneficial to the employees.

22. Contract of Employment

22.1 This ESOS-2015 shall not form part of any contract of employment between Company and the Employee. The rights and obligations of any individual under the contract of employment shall not be affected by his participation in this ESOS-2015 of any right which he may have to participate in it.

22.2 Nothing in this ESOS-2015 shall afford any Employee any additional right(s) as to compensation or damages in consequence of the termination of such office or employment for any reason.

22.3 The ESOS-2015 shall not confer any Employee any legal or equitable right against Company either directly or indirectly or give rise to any cause of action in law or equity against Nagarjuna Agrichem Limited

23. Government Regulations:

23.1 This ESOS-2015 is subject to all applicable laws, rules, regulations, guidelines and to such approvals from any Governmental agencies as may be required. In case of any contradiction between the provisions, rules, regulations, guidelines, issued by any Governmental agencies, the provisions of law shall override the provisions of this ESOS-2015.

23.2 The Employees who are granted warrants/options/shares under the ESOS-2015 shall comply with such requirements of law as may be necessary.

24. General Risks:

The Company does not guarantee any return on the equity investment made by Employee as part of the ESOS-2015.

25. Statement by the Company:

The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' report.

As the ESOS-2015 will entail further shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and as per the requirement of SEBI Guidelines.

The options to be granted under the ESOS-2015 shall not be treated as an offer or an invitation made to public for subscription in the securities of the Company.

Directors/Key Managerial Personnel of the Company/ their relatives other than i) Promoter Directors (iii) those Directors if any, holding directly or indirectly more than 10% of the outstanding equity shares of the Company, and (iii) Independent Directors of the Company shall be deemed to be interested or concerned in passing of this resolution to the extent of benefit they may derive under the ESOS-2015.

The Board accordingly recommends the resolutions at Item No. 7 and 8 for approval of the members as Special Resolutions.

All the relevant documents will be available for inspection during the office hours at the registered office of the Company till the date of conclusion of voting.

By Order of the Board

Satish Kumar Subudhi

Company Secretary &
Head-Legal
(ACS 12211)

Date : 07th August, 2015

Place : Hyderabad

Registered Office:

CIN: L24219TG1986PLC016607

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

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

Panjagutta, Hyderabad-500082, Telangana, INDIA.

Ph.040-33605123

e-mail : investors@nagarjunaagrlichem.com

Website : www.nagarjunaagrlichem.com